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The Marketing Relevance of Australian Cosmetic Brand Ambassadors

This thesis is presented in partial fulfilment
of the award of an honours degree.

Jessica Olwen Boswarva

Bachelor of Business Honours

School of Marketing, Tourism and Leisure

Faculty of Business and Law, Edith Cowan University

Supervisors: Dr Stephen Fanning and Dr Alicia Stanway

Date of Submission: October 31st 2012

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Abstract

Brand ambassadors are often employed to perform important marketing roles such as influencing product adoption and creating brand awareness (Livesley, 2009; O’Leary, 2010; Voight, 2007; Wragg, 2004). Brand ambassadors provide personalised customer service, including educational, experiential and relational roles and as a result propagate trust, minimize perceived risk and create familiarity and involvement (Belch & Belch, 2007; Chiou & Droge, 2006; Elliot & Percy, 2007).

Whilst studies highlight benefits to businesses in general, there is limited research to the role of brand ambassadors within the Australian cosmetic industry. Cosmetic brand ambassadors are a traditional feature of the cosmetic industry and are employed as beauty advisors, demonstrators, and sales representatives in Australian specialty stores and department stores. Brand ambassadors are more prevalent amongst upmarket, premium priced cosmetic brands where the communication of product qualities and product value is more complex and where the consumer is more involved with their purchase decision.

In consideration of the trend from in-store shopping to online shopping within Australia, the relevance of brand ambassadors is now being questioned (Zehner, Bradley & Sanders, 2011). Today, customers are often interacting with the brand in an online forum rather than receiving face-to-face interaction with cosmetic brand ambassadors (Indvik, 2011). The changes to cosmetic retailing and the behaviour of consumers of cosmetic products provided the motivation for this qualitative study. This qualitative study explored the consumption patterns of cosmetic consumers and in particular the relevance of the marketing roles performed by cosmetic brand ambassadors. Ten semi-structured interviews were conducted with female cosmetic consumer’s aged between 18 and 30 between September and October in 2012 in Perth, Australia.

The results suggested that for some consumers, the online environment has satisfactorily provided services previously undertaken by the cosmetic brand ambassador. The study also suggested that some consumers perceived the online shopping experience to be less variable, and less risky than interactions with cosmetic brand ambassadors. The recommendations are that a strategic review of the role of cosmetic brand ambassadors is needed to ensure that the traditional cosmetic brand ambassador is a feature of the industry in the future.

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Chapter 1:

1.1 Introduction

This thesis reports on an investigation of the marketing relevance of cosmetic brand ambassadors within Australia. In particular this study sets out to examine the marketing elements of product involvement, product familiarity, perceived risk and trust, in order to determine if and to what degree the online services are successfully emulating the services of the in-store brand ambassador in the mind of the consumer. There is a paucity of literature investigating cosmetic brand ambassador services and cosmetic online services, in regards to the application of these four concepts. Subsequently this dissertation aims to determine the relevance the cosmetic brand ambassador service has in the marketing mix of the luxury cosmetic market by comparing this service to the services of the online environment.

1.2 Background Information

In recent times there has been an increasing adoption of online shopping across many industries within Australia (Zehner, Bradley & Sanders, 2011). The pressure for businesses to offer an online experience as an alternative option for shopping has increased drastically. Furthermore in some cases, it is deemed crucial for businesses to have an online presence (Morrison, 2011). Additionally, domestic in-store businesses have been faced with tough competition from overseas companies, who sell their products online to domestic consumers, largely at more affordable prices (Hipsley, 2011).

This has extended into the cosmetic products industry. Some cosmetic houses such as Estée Lauder, MAC Cosmetics and Clinique, have their cosmetic products, ranging from foundations, eye shadows and face creams to mascaras and fragrances, available for online purchase through Australian based websites. Some luxury cosmetic companies do not have an Australian based website; however several of them sell their products through various online stores known as e-tailers (Peters, 2001). Myer and David Jones, Australia's largest department stores both sell roughly 62 luxury cosmetic brands online.

Not only have a comprehensive array of cosmetic products been made available through a range of different competitive e-tailers, largely at more affordable prices, but the online stores themselves have implemented effective tools that rival the help the cosmetic brand

ambassador offers. For example, Estée Lauder's official website has several videos depicting make-up application, explanations on the features and results the various products are designed to achieve and free samples are sent with a customer's orders (Estée Lauder, 2012). Therefore, not only does online shopping offer more variety, better price options and more convenience, but the e-tailers are also taking into consideration the nature of the product and implementing tools, which emulate as close as possible, the services offered by the cosmetic brand ambassador.

1.3 Research Problem

Understanding the impacts the online competition is having on the cosmetic brand ambassador is important as it enables cosmetic companies to make adjustments if necessary, to the services the brand ambassadors offer to consumers. Furthermore, understanding the consumers' perceptions of both online and in-store services allow for an evaluation of these marketing components, in terms of their role in the marketing mix. As explained earlier this study will focus on the marketing elements of product involvement, product familiarity, perceived risk and trust, in order to determine if and to what degree the online services are successfully emulating the services of the in-store brand ambassador in the mind of the consumer. The brand ambassador service traditionally encourages potential customers to become involved with the products, which promotes product familiarity. Ideally the brand ambassador service also aids in minimizing the perceived risks of the customer, and builds trust over time through multiple episodes of satisfaction experienced by the consumer. This leads to customers portraying brand loyalty (Lovelock, Patterson & Wirtz, 2011; Chiou & Droge, 2006; Elliot & Percy 2007). Although there is significant research on the marketing elements of product involvement, product familiarity, perceived risk and trust, there is a paucity of research evaluating specifically cosmetic purchase behaviour in the online and in-store environment in conjunction with these four elements. Therefore this study aims to apply these four elements as a basis to compare the services of the brand ambassador and the services of the online environment.

1.4 Purpose

The purpose of the current study is to investigate consumer's opinions and behaviours while shopping for their cosmetic products in the online and in-store environment with a focus on the opinions towards the service of the cosmetic brand ambassador. This aims to

reveal the overall relevance of the cosmetic brand ambassador service, in the face of innovative online services.

1.5 Research Questions

The following is a list of the research questions, followed by an explanation.

What aspects in the online environment and in-store environment encourage product involvement for the consumer?

Identification of what services are being implemented to encourage product involvement, will allow the services in both environments, that of in-store and that of online, to be contrasted. This may offer an indication as to if, and how much the online environment is emulating the role of the brand ambassador.

What aspects in the online and in-store environment encourage product familiarity for the consumer?

Identification of what services are being implemented to encourage product familiarity will allow for the services in each environment to be contrasted. This may offer an indication as to if, and how much the online environment is emulating the role of the brand ambassador.

What is the nature of the risk assessment performed by online cosmetic and in-store cosmetic shoppers?

The results aim to reveal the risk assessments made by consumers online and in the in-store environment. This may help to identify themes regarding the perceived risks in both the environments.

What elements of the in-store and online environment propagate trust between the brand and the consumers?

Identification of what services are being implemented to propagate trust will allow the services in each environment, to be contrasted. This may offer an indication as to if, and how much the online environment is emulating the role of the brand ambassador.

1.6 Significance of Study

The first online retail sales index released by National Australia Bank in February 2012, found online sales growth surpassed the 2.5 per cent increase reported by bricks-and-mortar retailers in 2011. This represents only 4.9 per cent of Australia's \$210 billion retailing industry sector, however the online sector has grown 29 per cent in the past 12-month period which is more than 10 times the pace of growth among shop-based retailers. Online auctions, department stores, fashion, **cosmetics** and variety stores made up 47 per cent of online sales in 2011 (Harper, 2012). With online sales expected to grow by 20 per cent annually over the next few years, it is important to investigate the relevance of cosmetic brand ambassadors, to determine their importance to customers, conversely to determine their dwindling value. Evaluating the attitudes and perceptions towards the brand ambassador may also reveal valuable insight into the quality of their service, possible identifying weaknesses that may be improved upon and opportunities that may be taken advantage of, in order to compete with the changes in the business environment.

As already alluded to previously, there is significant research on the marketing elements of product involvement, product familiarity, perceived risk and trust. However, there is a paucity of research evaluating specifically cosmetic purchase behaviour in the online and in-store environment in conjunction with these four elements. Therefore this study aims to reveal the implication and effect these four marketing elements have on the decision making and purchasing habits of cosmetic buyers. This study aims to apply these four elements as a basis to compare the services of the brand ambassador and the services of the online environment, in order to contrast the in-store and online environments.

1.7 Definition of Terms

When this study refers to the cosmetic industry it refers to and limits itself to the cosmetic brands that are sold at the department stores of David Jones and Myers. It also refers to the e-tailers and official Australian websites of the luxury cosmetic brands. It does not for instance apply to independently owned beauty salons where various brands of cosmetic products and therapeutical services are sold. It does not include the cosmetic surgery industry.

Cosmetic brand ambassador: The male and female attendants who supervise and serve customers at rented counters in the department stores of Myer and David Jones.

Luxury/premium/high-end cosmetic market: Cosmetic brands that are positioned as technologically sophisticated, characterised by significant price differentials in contrast to supermarket, discount store and pharmacy store brands, and are sold through the education, experiential, and relational service of brand ambassador (Chiou & Droge, 2006).

e-tailer: The “e” in e-tailer, stands for the word “electronically”, and the term “tailer” is a shortened version of the word “retailer.” Therefore, an e-tailer is a person, business or company that sells goods, commodities or services to consumers electronically, in other words over the Internet (The Free Dictionary, 2012).

Customer satisfaction: Is a personal post-purchase evaluation of a consumption activity; it is an affective (emotional) state & considers the pre-purchase situation, motives and expectations the qualities received and the costs incurred. Satisfaction occurs when pre-purchase expectations are exceeded (Lovelock, Patterson, & Wirtz, 2011).

Customer loyalty: Customer loyalty as a customer’s voluntary decision to continue patronizing a specific firm over an extended period of time (Lovelock, Vandermerv, & Lewis, 1999).

1.8 Expected Outcomes

There will be a number of key outcomes associated with the successful completion of this research. These include:

- An improved understanding of the services offered by the brand ambassador and the services offered through the online environment.
- Increased knowledge on the effects the services of the online environment is having on the services of the brand ambassador.
- An enhanced understanding of the marketing concepts of product involvement, product familiarity, perceived risk and trust specifically in the context of cosmetic purchasing.
- The development of recommendations to cosmetic companies for enhancing the service of the brand ambassador or the marketing mix of the variables within the cosmetic industry.
- Recommendations for further study.

1.9 Conceptual Framework

Miles and Huberman (1994) defined a conceptual framework as a visual or written formation, which explains in a narrative form or graphically, the focal elements (key factors, concepts or variables) that are to be studied and the believed relationships between them. In order to evaluate the brand ambassador's effectiveness as a sales and marketing mechanism, the brand ambassador concept is assessed in terms of their role to encourage product involvement and product familiarity, lower perceived risk and build trust with the customers. This is then contrasted with the online services, which are assessed in terms of the same marketing elements, in order to give an indication of the marketing relevance of brand ambassadors. Figure 1 illustrates this study.

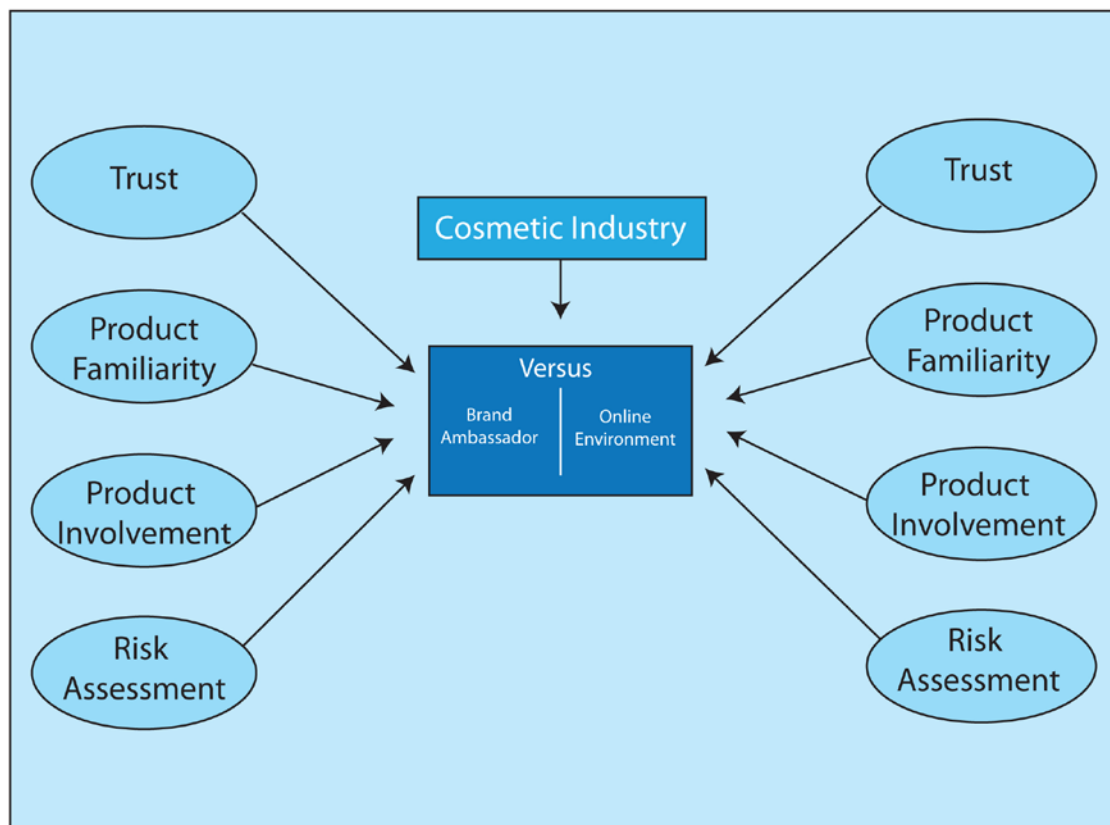


Figure 1: Conceptual Framework

1.10 Structure of the Study

The overall structure of the thesis involves a review and discussion of relevant literature to gain a deeper understanding of the marketing role of brand ambassadors, the Australian cosmetic industry, the impacts of Social Networking, M-Commerce and Digital Marketing on the cosmetic industry and the lowering importance of department stores where brand ambassadors traditionally offer their service. This will be followed by literature review on the four marketing concepts of product involvement, product familiarity, perceived risk and trust. Within Chapter Three an outline of the research process and methods used is presented and the ethical considerations that were applied during this study are explained. Chapter Four contains an in-depth analysis of the results in association with the research questions. This is followed by a discussion of the results in Chapter Five. Lastly Chapter Six concludes the study and lists the recommendations and limitations of the study.

Chapter 2: Literature Review

2.1 Introduction

Chapter Two commences with a review of relevant literature to provide a further understanding of brand ambassadors as a marketing tool and specifically the role of cosmetic brand ambassadors in the cosmetic industry of Australia. This will be followed by a review of literature on the changing nature of the in-store and online shopping environments in the cosmetic industry, with a focus on social networking, mobile commerce, digital marketing and department stores. Following the literature review, the research questions and focal marketing concepts of this study are explained, to reveal their significance in determining the marketing relevance of Australian cosmetic brand ambassadors.

2.2 Understanding Brand Ambassadors

Numerous studies have focused on the function that brand ambassadors perform in the marketing plan and internal branding effort of a company (Livesley, 2009; O’Leary, 2010; Voight, 2007; Wragg, 2004). The term *brand ambassador* is commonly used interchangeably with phrases such as *brand advocates*, *advertising spokespeople*, *customer evangelists* and *promotional models*. Although they are casually used interchangeably in the media, it is important to differentiate between ambassadors who are genuine supporters and devotees of a brand, and ambassadors that are employed and trained by the company. Both paid and earned brand ambassadors (Cheyfitz, 2010) provide information about the product, service or idea, to other people, creating widespread word of mouth marketing (Belch & Belch, 2007).

2.2.1 Employees as Brand Ambassadors

Brand ambassadors are very often the employees that have a service provider function. Some examples include beauty advisors at cosmetics counters, car salesmen, flight attendants, or representatives of call centres. O’Leary (2010) discovered that marketers are increasingly using their employees more carefully, especially during difficult economic times. Companies such as Ford, Domino’s, Bank of America, General Electric, Exxon Mobile and Southwest Airlines are featuring their employees in commercials. O’Leary (2010) outlined that the employees added to the credibility of the messages and

“humanised” the corporate entities. This characteristic assisted the brands with building trust with the viewers. Additionally, it created a vessel of “invertising” as employees were very fond of seeing themselves in the media. Furthermore there are suggestions that it increases staff motivation. In this example, we can see how companies transform employees into brand ambassadors, which effectively improve the image of a brand. In contrast, research demonstrates that “rogue” employees, employees who are not advocates of the brand, can severely damage a brand's image. For example, the brand image of Domino's Pizza was severely damaged in 2009 when two former employees posted an online video, showing nauseating food preparation, which went viral on the Internet. The video is still available for viewing and has so far had over one million views (O'Leary, 2010). Fitzgerald (2004, p. 8) emphasises that there are “countless opportunities for employees to make a customers' experiences ones they will be eager to repeat and that there are just as many chances to blow it.” He further highlights that a company's survival depends on their ability to make their employees true brand ambassadors.

Fitzgerald (2004) also states that too much advertising is created with insufficient attention to the brand promises an organisation can legitimately make. He continues to say that too many organisations make brand promises without making sure their internal operations are aligned to keep them. Wragg (2004) agrees with this theory, stating that above all, companies and their brand ambassadors must be trustworthy and deliver their promises to customers. Furthermore, they should engage consumers emotionally which encourage them to feel like they are valued and part of the company. This will result in positive word of mouth about the brand (Wragg, 2004). He added that ambassadors need to consistently exceed customers' expectations and create more than a simple buyer-seller relationship.

2.2.2 Customers as Brand Ambassadors

A study undertaken by Wragg (2004) identifies how customers function as brand ambassadors. He discusses that a brand's customer advocacy is an important indicator of the brand's overall power. He adds that it is an indicator of customer value, and the basis for word of mouth, which is widely recognised to be the most powerful influence for consumers. Furthermore, his studies indicate that consumers place twice as much importance on personal recommendations than advertising or editorials. Wragg (2004) suggests that customers can be organised into four different groups as illustrated below in Table 1.

Table 1: Types of Customers

Type of Advocate	Description
Indifferent Advocate	No loyalty to a particular brand and often drift to other brands, which they think meet their needs equally.
Fulfilled Advocate	Are happy with the product or service that they receive, but have a functional rather than emotional relationship with the brand.
Committed Advocate	Are regular, loyal patrons but can have an inactive relationship in terms of promoting the brand.
Active Advocate	Are the committed customers with emotional bonds that go beyond the typical relationship of customer and supplier. These are the customers with the highest level of involvement, and who spread word of mouth.

Brands with high levels of active advocates include Harley Davidson, Apple and Google, all of which have been built on advocacy rather than widespread high advertising efforts (Wragg, 2004). Wragg (2004) closes his study by emphasising that once a group of active advocates are developed and taken care of; they become the most powerful tool a brand can have and affirms that they become a living advertisement.

2.2.3 The Birth of Cosmetic Brand Ambassadors

In 1946, Estée Lauder, (born Josephine Esther Mentzer) and her husband Joseph Lauder, founded Estée Lauder Cosmetics, which has become one of the largest cosmetics manufacturers in the world (Koehn, 2000). “Tell-a-phone, Tell-a-graph, Tell-a-woman” was Lauders favourite quote and the corner stone marketing strategy applied to the company. It was founded on the belief that if she connected with her customers in a meaningful way by reaching out and touching them they would spread word-of-mouth. Lauder personally made appearances at department stores all over the United States for several years, practising this belief. “I’d make up every woman who stopped to look. I would show her that a three-minute makeup could change her life”, Lauder remembered (Koehn, 2000, para. 13). This is why Estée Lauder also put a lot of resources into training the sales representatives, which are also known as beauty advisors or cosmetic brand ambassadors (Koehn, 2000). To encourage more word-of-mouth, Lauder was the first to forge the “free gift with purchase” tactic, which is still overwhelmingly popular to this day (Viveiros, 2011). Estée Lauders unique, personalised face-to-face technique was appropriate and effective during the pre-internet era, but as Koehn (2000) believes, the Internet is the method in the present day. Koehn (2000) emphasises that companies must

maintain a unique presence on the Internet in order to stay ahead of the competition, but still maintain meaningful communication with customers.

2.3 Social Networking, M-commerce and Digital Marketing

The number of pure Internet retailers has been growing steadily. This is due largely to the recognition of appropriate categories, for example music and books; greater access to information on the internet and the appeal for convenience (Grewal, Krishnan & Lindsey-Mullikin, 2008). In Australia, during the latter half of 2009 and into 2010, internet retailing experienced a surplus of new entrants by brick and mortar retailing chains. The poor retail performance by these stores in 2011, forced retailers to review their business model and consider opportunities in online retailing. Consumers increasingly go online to search and purchase products at the best value for money. The strength of the Australian dollar has further stimulated growth in online shopping through offshore online sites. “Online shopping, both locally and offshore, is expected to grow at least twice as fast as compared to the total retail market in Australia over the next four years,” stated Phil Harpur, senior research manager at Frost & Sullivan (Statz, 2011, para. 4). “Online spending by Australians will reach \$21.7 billion by 2015, representing a compound annual growth rate of 12.6 per cent,” added Harpur (Statz, 2011, para. 11). “Australia’s retail landscape is commencing a structural shift as more consumers start to spend a greater share of their wallet online,” said Stuart Harker, global retail and consumer advisory head at Price Waterhouse Coopers (Statz, 2011, para. 7).

With a pioneering retail culture, Estée Lauder Cosmetics quickly adapted to the Internet age by creating its first marketing website in 1996 (Peters, 2001). Admittedly Estée Lauder Cosmetics struggled; “we were very early into the Internet game. Women were nowhere to be seen on the Net, and it was a very tough time,” confesses Yves Le Breton, vice president of business development for Estée Lauder Online (Peters, 2001, para. 3). Two years later, the company launched its first Clinique website that sold products on-line, and by 2001, launched six other sites to sell other branded products (Peters, 2001). In 2010, Estée Lauder ranked at number 133 in the Internet Retailer Top 500 and number 176 in the Europe Top 300 (Brohan, 2011). By the end of 2010 Estée Lauder had launched over 200 websites in 40 countries (Davis, 2010).

It would appear the Internet has created a new way for consumers to purchase their cosmetic products. In addition the Internet has introduced social networks like Facebook and Twitter. The popular social network Facebook, reached the one billion user mark, in August 2012, Twitter claims roughly 100 million active users, LinkedIn has acquired 130 million members, and Google experienced approximately 49 million total visits in December 2011 (Wasserman, 2012). Facebook and Twitter are used heavily by consumers via their smart phones. This trend has offered undeniable marketing opportunities for cosmetic companies. Stephanie Tilenius, a former eBay executive and Google Incorporated's first e-commerce chief stated, "e-commerce will grow largely through mobile commerce, social media and personalised and local search. M-commerce in particular will be critical. We believe the mobile web will be bigger than the PC web" (Davis, 2010, para. 11). During an interview with Dennis McEniry, the President of Estée Lauder's online division, he stated, "the biggest trend we're watching is mobile. For some of our brands in bigger markets like Japan, half of our sales are on mobile devices, and generally speaking we are seeing unbelievable growth rates around the world" (Indvik, 2011, para 7). He added that the company is researching how mobile commerce is affecting the brick and mortar retailers, particularly how consumers are using mobile phones for interacting with the brand and for getting product knowledge at the point of sale, both at counters and salons (Indvik, 2011).

Mobile commerce is part of the way Estée Lauder's brands are connecting socially with consumers. In 2011 Clinique launched a mobile application called "Clinique Forecast", offering skin care tips with product recommendations and store locator information, based on real time information about weather and pollution in the user's geographic area (Viveiros, 2011). MAC Makeup, another cosmetic brand, which has over 2.1 million Facebook fans, hold live chats with makeup artists on Facebook and also launched a micro-site, to showcase consumers favourite makeup artists reviews, trends and tips, from various events like Fashion Week. Estée Lauder uses the Internet as both a traffic and sales channel. Thalberg, vice president of global digital marketing, stated that "many hot products often sell out quickly at retail, so shopping online gives women access to products they wouldn't get otherwise" (Viveiros, 2011, para.11). An example of this was the "Pink Friday" MAC lipstick, created in collaboration with hip-hop singer Nicki Minaj (Onika Tanya Maraj). The "Pink Friday" shade was sold exclusively online for four Fridays in November 2010. The first batch of the colour sold out in 12 minutes after Minaj posted

about the product on the social network Twitter. The second week it sold-out in 8 minutes (Viveiros, 2011).

Dennis McEniry, confirmed that Estée Lauder Cosmetics we're significantly increasing their budget for digital marketing. He added that although television and digital would remain highest priority, the overall marketing mix is changing. "We've cut away dozens of programs where the spend wasn't optimized," he said, adding that a lot of the hiring and training has been taking place in the social media department (Indvik, 2011, para 5).

2.4 Department Stores

It appears that non-traditional retail marketing opportunities have opened up in the market and Estée Lauder has been a leader in capitalising on them. But, are these productive and effective marketing innovations making traditional forms of retail marketing less relevant? In 2002, Joseph Lauder said in an interview that he worries about changing shopping habits that are reducing the importance of department stores, (where one finds cosmetic brand ambassadors). This is a significant concern for the Estée Lauder brands, as it is a company that has always believed that where the products are sold has a significant consequence for the brand's future and the company's larger prospects. Since the beginning, Estée Lauder ruled out drugstores, supermarkets, and other locations that did not associate with the upscale exclusive image she wanted for her brand (Koehn, 2000). Joseph Lauder suggests that traffic is still reasonable in department stores but competition has forced them to become "super promotional" (Wharton University of Pennsylvania, 2002, para. 21). He added, "the pricing credibility which was so important for so many years is now in question. They have destroyed their images that sometimes it is cheaper to shop at Macy's than Target" (Wharton University of Pennsylvania, 2002, para. 21). In other words, an increasing number of consumers no longer pay a premium for purchasing in high-end department stores over discount retailers. In this interview Lauder was referring to the United States market, where department stores were forced into becoming price competitive to contend with conventional stores and online retailers, ultimately destroying their brand and position in the market. The Australian market has lagged behind in this trend but it is definitely something that has been happening within the past three years (Cummins, 2011).

In Australia, the number of employees available to offer assistance at Myer and David Jones has been reduced due to a drop in the in-store retail sales (Robinson, 2009). Myers also announced that they would be closing stores in Victoria and New South Wales and shrink surviving stores in response to the economy and increase of online shopping. According to Russell Zimmerman, from the Australian Retailers Association, it has been a challenging time for 12-18 months for the retail industry, and he does not believe it will improve in the near future. He also explained that many retailers are experiencing that their online stores are as profitable as one of their best brick and mortar stores. Furthermore, Mark O'Brien from Ten News reported that rental increases and online sales are squeezing the shops. He emphasised that modern times are changing the retail landscape rapidly but the one old fashion value of customer service is crucial for shoppers (Cummins, 2011). CEO of Myer, Bernie Brookes admitted that Myer's "Achilles Heel" has been its poor customer service, adding that the company will be investing \$25 million on a store-by-store training program, and that customer service will become their number one priority (Elliot, 2011). Finally, Jo Lynch from Myer admitted "we recognised that service for us wasn't up to scratch and are focused on improving that for our customers" (Cummins, 2011, para. 4). She also stated that:

"Myer has embraced the Internet as a friend and our goal is to give customers a choice, that could see department stores evolve into a place to pick up items bought online, or where consumers can browse, try on items before buying online, or even a place where goods can be exchanged. It's not an either-or strategy. We expect the Internet to grow significantly and we are focused on putting in all the right infrastructure" (Cummins, 2011, para. 4).

As current literature suggests, department stores are going through a challenging time adjusting to the new environment and attempting to balance in-store service and online service. Consequently, companies are testing innovative strategies to combat this changing environment. For example, Estée Lauder applied a tactic where the in-store and online services supported each other. Estée Lauder used social media to drive women to the counters of the department stores where brand ambassadors offered free makeovers. After the makeover the cosmetic brand ambassadors took professional shots of the women in front of an Estée Lauder logo backdrop and encouraged the women to upload the image as their social profile photo before leaving the counter. This attracted digitally savvy women to the department stores, where they received a unique and meaningful service. This

cultivated awareness of the brand, the products and encouraged in-store purchasing (Bernstein, 2010).

In consideration of the influences the Internet has brought into the business environment for cosmetic retailers, in what ways have the cosmetic consumers habits changed? Do the digital services emulate closely enough what brand ambassadors do, to the point where the brand ambassadors' services are unneeded? Are consumers using these digital tools to a point where they don't want or need the brand ambassador? Do consumers need brand ambassadors at the cosmetic counters in the same way as before the introduction of digital media? It is evident that the cosmetic market has changed, therefore what are consumers demanding that determine the way brand ambassadors should provide service? There is a paucity of literature investigating the preferences that Australian women have when buying cosmetic products in-store. Subsequently this dissertation aims to determine the relevance the cosmetic brand ambassador has in the marketing mix of high-end cosmetic brands and identify the impact that brand ambassadors have on the shopping rituals of consumers.

2.5 The Marketing Function of the Brand Ambassador

While in the retail environment the brand ambassador is present during the decision making process of the customer. Their role is to help the customer through the steps of the decision-making process, including problem recognition, information search, evaluation of alternatives and product choice (Solomon, 2006). The brand ambassadors' role is to encourage **product involvement** by suggesting the customer tries, touches, feels and smells the various products, and pick samples which they can take home and try. This coupled with the visceral nature of the environment itself means the customer has the chance to gain **familiarity** with the products available. A cosmetic brand ambassador, like any sales personnel aids in objection handling, which lowers the level of **potential risk** the customer may feel about the product. A long term, face-to-face, personal relationship can occur between the brand ambassador and the customers, therefore contributing to the notion of cumulative **trust** (Chiou & Droge, 2006). Overall, the brand ambassadors in the in-store environment can heavily influence the decisions the consumer makes (Neal, Quester & Hawkins, 2003). These elements will now be discussed and the relevance each has to the research questions of this study.

2.5.1 Product Involvement

The first key element being focussed on in this dissertation is product involvement. According to Zaichkowsky (1985, p. 342), product involvement is “a person’s perceived relevance of an object based on inherent needs, values and interests.” Product involvement, according to Solomon (2006) refers to a consumer’s level of interest in a particular product. When a decision is classified as low involvement then consumers give limited time and investigation to solve their problem, whereas, when a decision is classified as high involvement, the decision will be given sufficient time and extensive investigation (Fanning, 2010). Product involvement by consumers tends to be greater for goods that have a higher cost and are bought after considerable research (Solomon, 2006).

The concept of involvement relates to three time zones which are found in the buyer decision making process. According to the buyer decision making process, customers advance through six stages when a sale is made. These stages are: the recognition of an unmet need, the search for information, the evaluation of alternatives, the purchase decision, the delivery experience and the post-purchase evaluation. These stages are often grouped into three time zones: pre-purchase, service encounter and post-purchase. Across these three time zones are three types of involvement: situational involvement, response involvement, and enduring involvement. These stages, time zones and types of involvement are illustrated in Figure 2 (Fanning, 2010).

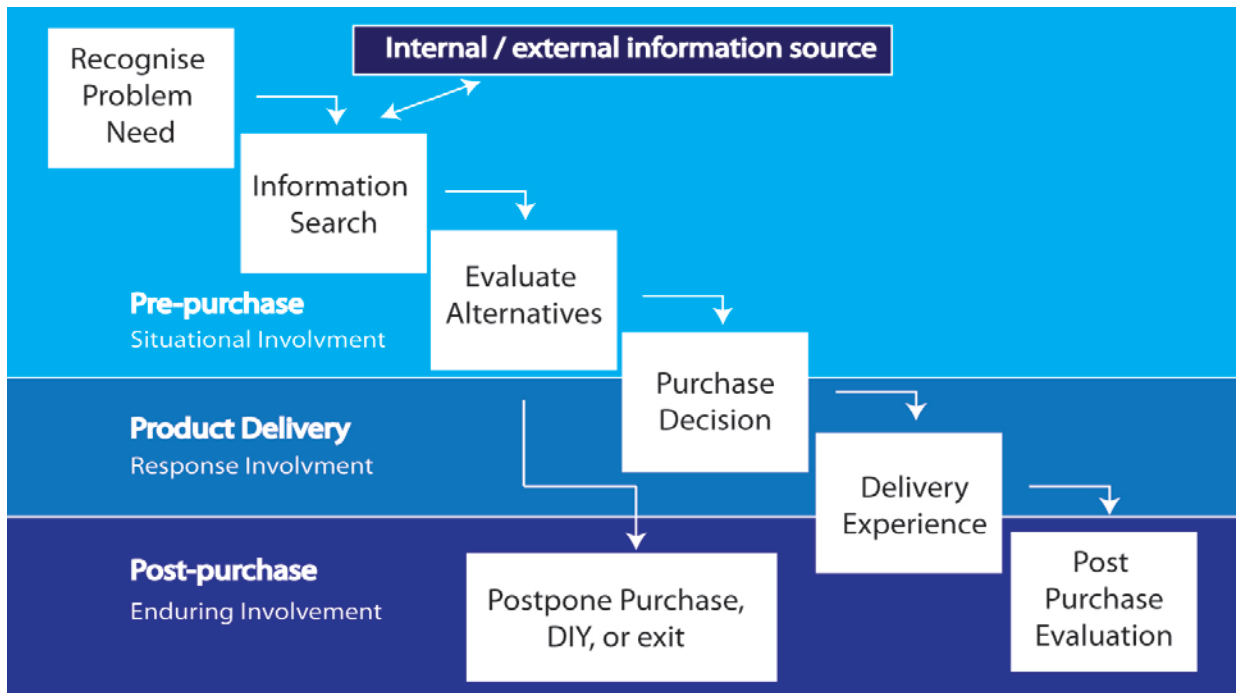


Figure 2: The buyer decision process

Situational Involvement:

During the pre-purchase time zone the potential customer recognises that there is a situation that requires attention or a problem that needs solving. This creates a need to search for information, in order to make an informed decision. This involves considering the importance of the situation, available options, likely outcomes and the probability of each outcome. This is referred to as situational involvement (Houston & Rothschild, 1977; Fanning, 2010). Situational involvement has also been defined as a temporary state and refers to the emotional feelings of the consumer in a particular situation, when they are thinking of the purchase of a specific product (Houston & Rothschild, 1977). Situational involvement varies by product, by person and is affected by the individual's familiarity with the product.

Response Involvement:

The second time zone is the purchase delivery and this relates to response involvement. Response involvement is the level of cognitive (thinking), affective (feeling), and conative (behavioural) effort required to complete a purchase. The response involvement varies from high to low depending on the situation. Therefore situational involvement influences response involvement, as the situation influences the customer's response (Belk, 1974; Houston & Rothschild, 1977; Fanning, 2010). High response involvement represents

situations where individuals are highly active in information search and processing, and then use the information to arrive at the optimum choice (Muncy & Hunt, 1984).

Enduring Involvement:

Similarly to situational and response involvement, enduring involvement varies according to the person and the product. Enduring involvement is a characteristic that represents an individual's level of interest for a product on a day-to-day basis that is ongoing and long-term (Houston & Rothschild, 1977; Fanning, 2010). Furthermore, the individuals' level of enduring involvement is motivated by the extent to which the product relates to the individual and or the amount of pleasure the individual receives from the product (Higie & Feick, 1989; Richins & Bloch, 1986). People may have an enduring involvement with particular products that affect future sales or may exclude other options being considered. Enduring involvement, is not restricted to goods dominant products, it also applies to service dominant products, such as butchers, accountants, and electricians. People often have an enduring involvement with a sport, sports team, holiday destination or university (Fanning, 2010).

As the luxury cosmetic market has a considerable price difference to the discount cosmetic market, consumers exhibit higher levels of involvement during the decision making process. Furthermore, customers require various levels of education about the product and in some cases there can be an experiential element, such as testing the product on the face or body (Chiou & Droge, 2006). For this reason, cosmetic brand ambassadors are traditionally available to the customer in order to offer product information, show the consumer how the product works and, if the consumer wishes to, try and test the product themselves.

Solomon (2006), states that many promotions are designed to increase product involvement. In the luxury cosmetics industry of Australia, some cosmetic houses, run make-over sessions, which are scheduled by appointment only with the cosmetic brand ambassador. This gets the customer to become very involved with the products and the process. Solomon (2006) explains that a powerful way to enhance product involvement is to invite consumers to play a role in designing or personalising what they buy. A popular example of this can be seen in the luxury leather goods market, where Louis Vuitton, offers a specialised service whereby they print the initials of the customer on their choice of handbag or leather good. Grewal, Krishnan and Lindsey-Mullikin (2008) assert that the

availability of service personnel may not be essential for online retailers, but personalisation is crucial. In the cosmetic industry of Australia, we see personalisation taking place at the David Jones and Myer department stores. For example at the Estée Lauder counter, a customer often has the chance to select from three different gifts with purchase, the one that suits them most, based on their personal skin type. However, this is also taking place on the Estée Lauder website. Furthermore, cosmetic houses are sending samples to consumers via online engagement, which encourages product involvement. It is anecdotally evident that product involvement is an important factor contributing to purchase intention, however there is a lack of literature to indicate how product involvement may enhance purchase intention in the cosmetic industry. Accordingly, the first research question is as follows:

Research Question 1: What aspects in the online environment and in store environment encourage product involvement for the consumer?

2.5.2 Product Familiarity

The second key element that will be explored in this study is that of product familiarity. Product familiarity is defined as the number of product or brand related experiences that have been accumulated by the consumer including direct and indirect experiences such as advertising exposures, interactions with salespersons, word of mouth communications, trial and consumption (Alba & Hutchinson, 1987). Alba and Hutchinson (1987) affirm that product familiarity decreases the need for information searches for existing alternatives, provides an advanced capability to encode fresh information and allows the consumer to pay attention to significant information and ignore irrelevant information. Furthermore, they connected product familiarity with risk, affirming that product familiarity can help consumers reduce the risk of making mistakes in their purchasing decisions. When there are lower levels of perceived risk consumers are more likely to feel confident when choosing the product or brand which solves their perceived problem (Sun, 2010). Baker, Moore and Nedungadi (1986) state that familiarity exerts important effects on the brand selected by the consumer. Furthermore a lack of familiarity contributes to the brand being eliminated from consideration during the decision making process (Dick, Jain & Richardson, 1995).

According to Luhmann (1979) familiarity is a precondition of trust. He explains that trust is only possible in a “familiar world” that it needs history as a reliable background

Luhmann asserts that trust is required only in situations of high-perceived risk, and in low perceived risk, confidence or mere familiarity is sufficient for an action to ensue. Elliot and Percy (2007) affirm that at high levels of perceived risk, trust becomes necessary for purchase to occur. They add that with repetition overtime, in other words familiarity development, risk perceptions reduce and trust reverts to confidence.

According to the literature presented, product familiarity appears to be an important aspect that affects the decision making process, as well as lower risks which then leads to the building of trust. As the cosmetic brand ambassador performs tasks, which encourage product familiarity and as the purpose of this study is to determine the effects the online environment has on the relevance of the cosmetic brand ambassador, the second research question of this study is as follows:

Research Question 2: What aspects in the online environment and in store environment encourage product familiarity for the consumer?

2.5.3 Perceived Risk

The third element that will be explored in this study is that of perceived risk. According to Solomon (2006), perceived risk is the belief that a product has potentially negative consequences. Dowling and Staelin (1994) defined the concept of perceived risk as the consumer's perceptions of the uncertainty and unfavourable consequences of purchasing a product or service. Perceived risk may be present if the product is expensive or is complex and hard to understand (Solomon, 2006), which can sometimes be the case when choosing luxury cosmetic products. According to Neal et al. (2003), the purchase of any product involves a certain amount of risk, which may include financial, performance, social and physical risk. *Financial risk* is the perception that a certain amount of money may be lost or required to make a product work properly (Garner, 1986). *Performance risk* is the perception that a product purchased may fail to function as originally expected (Minjeong & Lennon, 2000). *Social risk* refers to the perception that a product purchased may result in disapproval by family or friends (Dowling & Staelin, 1994), and lastly *physical risk* refers to the perception that a product may be dangerous to health or safety when it does not work properly (Roselius, 1971). Additional types of risks can be viewed in Table 2 (Fanning, 2010).

Table 2: Types of Risk

Type of Risk	Description
Functional risk	Concerns regarding performance outcomes
Financial risk	Concerns regarding monetary/unexpected costs
Social risk	Concerns about the reactions/behaviours of others
Epistemic risk	Concerns about whether there will be something new
Psychological risk	Personal fears and emotions
Spiritual risk	Concerns about my ability to practice my beliefs
Physical risk	Concerns regarding personal safety or injury
Temporal risk	Concerns about inefficient use of time
Sensory risk	Unwanted assaults against the five senses

The amount of risk perceived by the consumer can greatly influence the level of information search. The perception of these risks differs among consumers, based partly on their past experiences and lifestyles. There are several factors that can influence the risk felt by consumers (refer to Table 3). Due to this, risk is considered a consumer characteristic as well as a product characteristic. Neal et al. (2003), use the example of a mountain bike explaining that while some individuals would feel no social risk associated with the brand of a mountain bike owned, others might feel the risk. Neal et al. (2003), add that like product categories, retail outlets are perceived as having varying degrees of risk, saying that traditional outlets are perceived as low in risk, while more innovative outlets such as direct mail or the Internet are viewed as higher risk.

Table 3: Factors Influencing Risk

• Product Intangibility	• Product Complexity
• Product Familiarity	• Confidence of buyer
• Product Importance	• Possibility of loss of face
• Product Knowledge	• Decision making ability of buyer

According to Neal et al. (2003), involvement and risk are unique to the individual. They may vary from one consumer to another and, for the same consumer, from one situation to another. For example the purchase of a bottle of wine may not involve much risk when a consumer is buying for his or her own consumption. However, the choice of wine may

involve considerable risk when buying wine for a dinner party with friends. To deal with risk in this particular situation, the consumer may buy the most advertised brand, the brand used before and found to be satisfactory, a well-known brand, a brand recommended by a friend whose opinion is respected or an expensive brand. In this situation, the risk of buying an inappropriate wine for an important occasion could greatly influence the level of information search. Lastly, services are often perceived as being higher in risk than goods (Neal et al., 2003).

Perceptions of risk associated with unsatisfactory product performance increase information search prior to the purchase of the product. For example, high fashion clothing items have greater perceived risk associated with them and, as a result, more information is sought prior to purchase (Solomon, 2006). The luxury cosmetic industry is considered a high service market, one of the reasons being that cosmetic brand ambassadors are present and are ideally trained with the knowledge to offer information during the information search (Chiou & Droge, 2006). Taking into consideration the nature of the luxury cosmetics industry, the third research question is to determine:

Research Question 3: What is the nature of the risk assessment performed by online cosmetic and in-store cosmetic shoppers?

2.5.4 Trust

The final key element that will be explored in this study, is that of trust. “The ultimate goal of marketing is to generate an intense bond between the consumer and the brand, and the main ingredient of this bond is trust” (Hiscock, 2001 p. 32). Trust has been defined as a belief, feeling or expectation about an exchange partner which can be judged from the partners expertise, reliability and intentions (Moorman et al., 1992; Rodriguez & Wilson, 2002). According to several researchers (Doney & Cannon, 1997; Morgan & Hunt, 1994; Moorman et al., 1992; Ganesan, 1994), there are two main components of trust: credibility and benevolence. Credibility reflects a buyer’s belief that the provider of the product or service has adequate knowledge and capabilities to perform the job effectively and reliably. Benevolence reflects the extent of the buyer’s belief that the seller’s intentions and motives are beneficial to the buyer even when new conditions or circumstances arise for which a promise was not made. Chiou and Droge (2006) appear to agree with parts of this definition stating that trust encompasses perceptions of honesty, integrity, reliability, dependability, responsibility and positive motives. According to Chen, Griffith and Wan

(2008) trust is an important element of success in both brick and mortar and online retail channels. They define trust as the “dependability, competence, and integrity a consumer perceives in a retailer or retail channel” (p. 64).

An important aspect Chiou and Droge (2006) affirm, is that trust is important in many high involvement product markets, and use luxury cosmetic products as an example. As alluded to earlier, due to the high involvement of consumers while considering the purchase of cosmetic products, customers require a considerable amount of personal assistance during the decision making process, which is why luxury cosmetic products are typically sold by highly trained beauty consultants. Chiou and Droge (2006) emphasize that beauty consultants are not selling “tubes of wax”, but rather “the ever changing ideal of beauty and the hope of achieving that ‘look’” (p. 614). Chiou and Droge (2006) found that several anti-ageing skin products cost over \$450 per month to use. They determined that medicinal outcomes are often claimed or implied, such as impacts on the chemistry and structure of the skin. Often, specific products must be used in a specific sequence at specific times of the day, in the same way prescription drugs are taken. Many of the products’ effects on the skin are long term. Therefore, due to the nature of cosmetic products and the findings drawn from the study by Chiou and Droge (2006), it is evident that traditionally the feelings of trust between the consumer and the brand ambassador are essential within the cosmetic industry. However, the study conducted by Chiou and Droge (2006) did not take into consideration the competition of the Internet.

In the online environment, is it evident that there are new trends taking place, which directly challenge the trust perceived by the consumers of the beauty advisors. The introduction of product review sections and open forums on various websites, that encourage customer reviews and discussion of beauty products, creates an environment that the consumer perceives is reliable and genuine (Viveiros, 2011). According to Bernstein (2010), due to the fact that marketers control what is said about their products, through messages like advertisements, people are more likely to view them as biased. However, when a third party, like a customer writes an online review of a product, it offers more credibility. Chiou and Droge (2006) stated that in the cosmetics product market, the service quality delivered by the beauty consultant lies at the core of firms’ marketing strategies. In consideration of the nature of the luxury cosmetics industry and the importance of trust in this market, one of the research questions for this study is:

Research Question 4: What elements of the in-store environment and what elements of the online environment propagate trust between the brand and the consumers?

2.6 Services Marketing

Although this study investigates the four marketing concepts of involvement, familiarity, risk and trust as the brand ambassador's value lies the service it offers, "Services Marketing" will be addressed briefly. A service is defined as "any act, performance or experience that one party can offer to another and that is essentially intangible and does not result in the ownership of anything" (Lovelock, Patterson, & Wirtz, 2011, p. 6). Lovelock et al. (2011) also define services as processes (economic activities) that provide time, place, form, problem solving or experiential value to the receiver. These types of services are listed with examples in Table 4 (Lovelock, et al., 2011). According to these types of services it is evident that the cosmetic brand ambassador fulfils services that have form, experience and performance value.

Table 4: Types of Services

Time Value	Catching a taxi, employing a gardener, or employing a research assistant to do a library search.
Place Value	(Distribution and logistics) Value might come from using a mobile phone, email or Internet banking.
Form Value	Created by going to a hairdresser, doctor or masseur.
Experience Value	Going to the movies, taking a vacation, going to the opera, a sporting event or listening to a band.
Performance Value	Knee surgery, education, management consulting report, using an architect that provides special knowledge or intellectual property to solve a problem.

2.6.1 Services are Intangible

Lovelock et al. (2011) emphasise that while customers are primarily interested in the final output, the manner or way in which they are treated during the process of service delivery also has a significant impact on their satisfaction and value perceptions. Services typically have tangible (such as the cosmetic product itself, the cosmetic counter, the packaging of the cosmetic products, the samples and testers) and intangible elements (the service of the cosmetic brand ambassador). Although services have tangible elements, services are defined as being **intangible** (Lovelock, et al., 2011).

2.6.2 Services are Perishable

In the cosmetic industry, the core product of service offered by David Jones and Myer is the cosmetic product itself; however the supplementary service of the brand ambassador ideally helps to sell the physical goods adding value to the customer and also creates value to the business by increasing sales. The service of the brand ambassador is offered 'free' as their cost is bundled with the price of the purchase product. The service of the brand ambassador is not paid for separately. As services, like that of the cosmetic brand ambassador, are actions or "performances", they are "ephemeral" meaning they are fleeting and therefore **perishable**. The service of the cosmetic brand ambassador cannot be shelved and stocked as inventory. If there is no demand for the service then it is wasted and the firm loses the chance to create value from the brand ambassador service as well as other asset, like the rented space for the counter (Locklock et al., 2011).

2.6.3 Services are Inseparable

Services are generally social interactions, made up of a series of activities and happen in real time. Services often involve the participation of customers with the product provider's production resources, including the people, physical resources, operational systems and infrastructures. Therefore, production and consumption cannot be separated. The production of the service is simulation with the consumption of the service. With services the recipient must be mentally or physically present for the service to be consumer. For example, the brand ambassador and the cosmetic product buyer must come together for the value added service to be consumed by the cosmetic buyer. If, for example, a new customer approaches the cosmetic counter, and requires the educational, relational and experiential service of the brand ambassador, and the brand ambassador is not present at the counter, then the service is wasted and the customer misses out on the value added experience, which may result in the purchase not taking place. The term marketer's use for this characteristic of services is "**inseparability**" (Fanning, 2010; Gronroos, 2007; Lovelock et al., 2011).

2.6.4 Services are Variable

As a service is delivered directly and consumed in real time. Due to this, the service output often differs between employees, between the same employee and different customers and from one time of day to another. The attitudes of the employees, the speed of the service and the quality of the service can vary widely. Therefore customers can encounter

variability in the services they consume (Lovelock et al., 2011). For example, a cosmetic buyer may experience excellent service from a brand ambassador at brand A in shopping mall A, and experience poor service from a brand ambassador at brand A in shopping centre B. Or for example, a cosmetic buyer may experience exceptional service during quite times of the year, and slower service speeds at Christmas time when stores are very busy.

2.7 Chapter Summary

In closing, relevant literature was provided to gain a deeper understanding of the marketing function of brand ambassadors. Social networking, mobile commerce, digital marketing and literature on the changing nature of the in-store and online shopping environments, in the cosmetic industry, was discussed. Lastly, the research questions were outlined in connection to the focal marketing concepts of this study. The marketing concepts of product involvement, product familiarity, perceived risk and trust were defined and discussed portraying their significance to determine the marketing relevance of Australian cosmetic brand ambassadors. Lastly, Services Marketing was addressed, as the cosmetic brand ambassador is a service vehicle that is characterised by traits of intangibility, variability, perishability and inseparability.

Chapter 3: Methodology

3.1 Introduction

Chapter Three will begin with an overview of the research design, where the choice of the qualitative approach is explained. The sample selection process is examined, identifying the use of the snowballing sample method and criterion sampling. The procedures undertaken for this study are explored, with justifications as to why an interpretive, qualitative methodology was adopted, through the application of semi-structured interviews. The analysis stage is discussed with a focus on the thematic approach, commonly used for qualitative and explorative studies. The chapter concludes with all ethical considerations that were employed throughout the study.

3.2 Research Design

The overarching aim of this study was to explore what impact the brand ambassadors have on the shopping rituals of the consumers, which may give an indication of their marketing relevance in the cosmetic industry of Australia. A qualitative approach was applied to this research topic as the research was required to be comprehensive and in-depth, focusing on the feelings, thoughts, experiences and opinions of the people in the sample. Qualitative research is defined by Patton (2002) as an inquiry that typically focuses in depth on relatively small samples, even single cases, selected purposefully. The focus of qualitative research is “not on numbers but on words and observations: stories, visual portrayals, meaningful characterisations, interpretations and other expressive descriptions” (Zikmund, Ward, Lowe, & Winzar, 2007 p 61.). As the study required recording the perceptions, thoughts, opinions and behaviours of the respondents, analysing the results to make sense of these elements and presenting them so that others can comprehend the results, this study applies an interpretive methodology (Fanning, 2011). It examined complex questions that are inappropriate to cover with quantitative methods (Oklahoma State University, 1998).

3.3 Participants

The sample selected was not at random; therefore a non-probability approach was adopted whereby, the sample chosen relied on the personal judgement of the researcher. Consequently, the probability of any particular member of the population being chosen for

this study is unknown (Zikmund, et al., 2007). This was due to the requirement that all respondents needed to be buyers of cosmetic products and they all needed to be females aged between 18 and 30 years old. This is not because males and other age groups are irrelevant to the cosmetic industry, but because the study aims to be narrow and focused. If a broad age range were considered then the study may be criticised as being weak (Patton, 2002). Ten women of various demographics participated in this study, which can be viewed in Table 5. The table depicts the pseudonym names of the respondents, their ethnicity, their age, income and marital status. All the respondents reside in Western Australian.

Table 5: List of Participants

	Pseudonym	Age	Ethnicity	Occupation	Income	Code
1.	Naomi	25	Caucasian Australian	Marketing Student	\$78,000 (Includes Parents Allowance)	(25, \$40,000, Partner)
2.	Christina	27	Caucasian Australian	Full time Labourer	\$45,000	(27, \$45,000, Partner)
3.	Emma	28	Singaporean	Accounting Student & Part Time Receptionist	\$55,000 (Includes Parents Allowance)	(28, \$55,000, Single)
4.	Connie	30	Caucasian Australian	Full time Accountant	\$80,000	(30, \$80,000, Partner)
5.	Janet	30	Caucasian New Zealander	Full time Beautician	\$60,000	(30, \$60,000, Partner)
6.	Bella	18	Caucasian Australian	PR & Event Student & Part Time in Retail	\$20,800 (Lives with Parents)	(18, \$20,800, Single)
7.	Megan	24	Caucasian South African	PHD Psychology Student, Tutor, Clinic Receptionist	\$40,800 (Includes Parent Allowance)	(24, \$40,800, Single)
8.	Sally	30	Sri Lankan	Unemployed due to illness	\$57, 000 (Income shared, lives with husband)	(30, \$57,000, Partner)
9.	Alex	27	Caucasian South African	Australian Medical Association Aged and Medical Consultant	\$55,000	(27, \$55,000, Single)
10.	Louise	29	Caucasian Australian	Newly Mother of 1, Home Duties	\$45, 000 (Income shared, lives with husband)	(29, \$45,000, Partner)

Although it may appear a potential limitation that there were only 10 participants in this study, Patton (2002) conveys that there are no precedents for sample size for a qualitative study, but rather affirms that “the validity, meaningfulness and insights generated from qualitative inquiry have more to do with the information richness of the cases ... than with sample size” (p. 245).

The snowball sampling method of participant recruitment was applied to this study, whereby additional respondents are obtained from information provided by the initial respondents (Zikmund, et al., 2007). It is important to note that although snowballing was used, the women chosen were not only friends, or friends of friends of the researcher, as this would severely limit the sample and compromise the validity of the study. To prevent this, the researcher particularly recruited various women of different occupations, ethnicities, incomes, and locations. Although this was considered, it is still important to highlight that this study does have a limited sample of respondents, therefore it is suggested that no recommendations be made by cosmetic companies due to the narrow scope of this study. This concept was addressed by Zikmund et al. (2007) indicating that the snowball method is considered to have high bias because sample units are not independent, therefore projecting data beyond the sample is inappropriate. However, this research is exploratory in nature, aimed to draw attention to the rapid changes in the cosmetic environment and the consumer behaviour of people in this market, suggesting that cosmetic companies or academics may wish to invest further research into this topic.

During the sample selection process, several possible respondents who offered their participation were excluded. This was because the researcher desired a sample that was as information rich, experience rich and as opinion rich as possible, in regards specifically to the Australian cosmetic market. It was a requirement that the respondents currently shop or have in the past shopped at David Jones or Myer, the two large department stores of Australia. This was so that the respondents could discuss the experiences they had while shopping in those particular in-store environments. Therefore, prior to the interviews the respondents were asked if they previously have or currently do shop for cosmetic products specifically in Myer and David Jones. Furthermore, it was a requirement that the respondents have a reasonable amount of experience cosmetic shopping in the in-store environment. Therefore, although it appears in Table 1 that respondents from Singapore, Sri Lanka and South Africa were interviewed, all these respondents have been residing in Australia for over five years. The respondents to have made a purchase of a cosmetic

product online were not a requirement. Although some of the respondents had made cosmetic purchases online, all respondents were familiar with the cosmetic online environment, which indicated that the respondents would be able to discuss their thoughts on this environment during the interview. While asking the respondents if they would be willing to participate in the interview it was determined if their cosmetic purchases were made at least within the last six months. It was deemed more beneficial to interview respondents who had made cosmetic purchases no less than six months prior so that the shopping experience was fresh in the minds of the respondents.

Although these requirements were met by several respondents, other respondents were discounted. For example, a German woman offered to participate in the study, however, it was determined by the researcher, through a few questions, that the woman had not lived in Australia for a long time, had not shopped in the cosmetic stores within Australia more than once and also had not yet viewed online options or participated in cosmetic online shopping. The respondent was deemed to have little to offer in connection to the research questions. This happened on several occasions. Due to this, criterion sampling, which is a form of purposive sampling, was also employed for this study. Criterion sampling is to review and study all cases that meet some predetermined criterion of importance, which also offers quality assurance (Patton, 2002).

3.4 Procedure

The qualitative technique of semi-structured interviews was applied to this research topic. Semi-structured interviewing is an overarching term used to describe a range of different forms of interviewing most commonly associated with qualitative research. The defining characteristic of semi-structured interviews is that they have a flexible and fluid structure, unlike structured interviews (Patton, 2002).

This research method was chosen due to the advantages it offers. Semi-structured interviews are commonly, inexpensive, data rich, flexible, stimulating to respondents, recall aiding, cumulative and elaborative (MacDougall & Fudge, 2001). Interviews allow for people to expand on their responses and for the interviewer to query further on the topic if required. Additionally, they offer no peer pressure, are ideal for complex issues and are more orderly (Tong & Taylor, 2004). An interview guide (refer to Appendix A) makes sure that the interviewer has carefully decided how best to use the limited time available in an

interview situation. The guide helps make interviewing a number of different people more systematic and comprehensive by restricting in advance the issues to be explored (Patton, 2002). Patton (2002) outlines more strengths of this research approach saying, “the outline increases the comprehensiveness of the data and makes data collection somewhat systematic for each respondent. Logical gaps in data can be anticipated and closed. Interviews remain fairly conversational and situational” (p. 344). Weaknesses of this approach are also apparent as important and relevant topics may be unintentionally excluded. Furthermore, the interviewer’s flexibility in sequencing and wording questions can result in considerably different responses from different perspectives. This reduces the comparability of the responses (Patton, 2002).

The interviews included a general introduction on the purpose of the study to make the respondents aware of the topics and types of questions they could expect in the interview. Some of the first questions asked “*What kinds of cosmetic products do you own and currently buy?*”, “*What brands do you buy?*” It is important to note that the researcher had no prior experience in conducting semi-structured interviews. However, at the start of the interviews and during the interviews the researcher engaged in small talk on relevant topics to the study, outside of the interview protocol, in an attempt to make the respondents feel comfortable and to reveal the feelings and opinions relating on the topic. The interviews were held at the homes of the respondents. Each interview was audio recorded. After the tenth interview, it was decided that it was unnecessary to conduct further interviews, as the point of saturation had been reached at this stage. The point of data saturation is defined as the point at which no new information or themes are emerging from the data. It is otherwise known as reaching informational redundancy (Patton, 2002). The length of each interview was approximately one hour.

3.5 Data Analysis

As each interview was completed, the audio-tape was personally transcribed using Microsoft Word, within two to three days of the interview. Each transcription took approximately two hours. The researcher completed the transcriptions alone, which allowed the researcher to become familiar with the data. Patton (2002) states that it is beneficial for the researcher to transcribe the interviews themselves because it “provides an opportunity to get immersed in the data, an experience that usually generates emergent insights...a chance to get a feel for the cumulative data as a whole” (p. 441).

During the data analysis, the researcher printed out all the interview transcriptions and colour coded the several patterns that were recognised within the data. This is known as thematic analysis. According to Boyatzis (1998), thematic analysis is:

“a process of encoding qualitative information. The encoding process requires an explicit ‘code’. This may be a list of themes, a complex model with themes, indicators, and qualifications that are causally related; or something in between these forms. A theme is a pattern found in the information that at the minimum describes and organizes possible observations or at the maximum interprets aspect of the phenomenon” (p. 4).

A certain amount of deductive analysis was applied to this study as the data was partially analysed according to an existing framework. Four themes: product involvement, product familiarity, risk and trust emerged from the interviews. This was because the interview questions were designed to encourage these aspects to reveal themselves. However, the various aspects of the two retail environments, that of online and that of in-store, which encourage and propagate the four themes, were unknown prior to the interviews. These findings are discussed in the results section of this dissertation. In the results section a code is used to identify the demographic characteristics of the respondents. The codes are put into brackets at the end of each quote representing the age, income and marital status of the respondent, for example: (25, \$55,000, Single).

3.6 Ethical Considerations

Before the interviews were conducted participants were asked to indicate consent to having the interviews audio recorded by signing a consent form. The Edith Cowan University approved cover letter and consent form was given to and signed by each respondent. The Participant Information Letter outlined the purpose of the study, the confidentiality terms and the rights of the respondent (refer to Appendix B). The contact details of the chief investigator and supervisors of the study were also provided. It was made clear in the Participant Information Letter and verbally, participation in the study was voluntary and the respondents could withdraw from the study at any time. Participants who agreed to participate were asked to sign a Consent Form (refer to Appendix C) indicating permission for the interview to be recorded. The purpose of this study did not need to be kept from the respondents and was therefore explained to them during recruitment at the start of the

interview. The respondent's names and opinions are kept confidential and anonymous which will be achieved by using pseudonyms when referring in text to particular respondents. Additionally, when negative comments or events are discussed about particular brands, the brand names will not be identified. This is due to the fact that this study is not focused on the perceptions and attitudes consumers have in regards to specific brands; therefore the particular name of the brand is irrelevant to this study. The recordings from the interviews will be kept safe in a password-protected device and folder on the researcher's personal computer.

3.7 Chapter Summary

Chapter Three provided an overview of the research design, where the choice of the qualitative approach was explained. The sample selection process was examined, identifying the use of the snowballing sample method and criterion sampling. The procedures undertaken for this study were explored, with justifications as to why an interpretive, qualitative methodology was adopted, through the application of semi-structured interviews. The analysis stage was discussed with a focus on the thematic approach, commonly used for qualitative and explorative studies. Lastly, ethical considerations that were employed throughout the study were identified.

Chapter 4: Results

4.1 Introduction

Chapter Four begins with the themes, which emerged in relation to the concept of *product involvement* (specifically, in-store and online gifts, the role of the in-store brand ambassador, the visceral nature of the environment and online educational resources). This is followed by the themes found in regards to *product familiarity* (specifically, in-store testers and samples, the role of the in-store brand ambassador and online resources) *perceived risk* (specifically financial, functional, psychological and physical) and *trust* (specifically authenticity of the products sold online, believability of customer reviews, and the role of the in-store brand ambassador). The results begin with a list of the questions that were used in the interview protocol, which were most data-rich in relation to each marketing concept. The results are paraphrased with quotes from the interviews that support the themes. As indicated in Chapter Three, a code is used to identify the demographic characteristics of the respondents. The codes are put into brackets at the end of each quote representing the age, income and marital status of the respondent, for example (25, \$55,000, Single). The findings are summarised, outlining the main themes identified and tables are used to highlight these themes.

4.2 Research Question One: Product Involvement

The first research question of this study asked “*What aspects in the online environment and in-store environment encourage product involvement for the consumer?*” The questions in the interview protocol that revealed the most on this topic were; “*Take me through how you shop, what do you do first?*” This question was asked in relation to both environments as was the question, “*What characteristics about the environment do you like and not like?*” and lastly, “*Does the brand ambassador encourage you to try, feel, and smell, the products?*” The interviews revealed that there is more product involvement experienced when shopping in the in-store environment, mainly through the use of the “**Free Gift Time**” promotion, the **brand ambassador** and their distribution of samples, and the **visceral nature of the store** itself including the availability of testers. In the online environment, the aspect of **free gifts and samples, customer reviews, video demonstrations** and **written and verbal product information**, were the four themes raised consistently amongst the respondents, which encouraged product involvement.

4.2.1 In-Store: Free Gift Time

According to a number of the interviews the “Free Gift Time” promotion offered by the various brands in the department stores of Myer and David Jones, encourage product involvement. Myer and David Jones advertise the “Free Gift Time” promotion through their email customer database, postal mail and online marketing efforts. It is important to clarify the uniqueness of the “Free Gift Time” promotion so that is easily contrasted to the other types of gifts offered in the online and in-store environment. The “Free Gift Time”, includes an elaborate collection of cosmetic products, which is cased very attractively in cosmetic bags. These “Free Gift Time” promotions are not frequent. They are characterised by having a high quantity of full size products offering excellent value for money. For example, the latest Free Gift Time promotion offered by Revlon, included a full size eye shadow set, full size lip gloss, full size nail polish, full size mascara and full size eyeliner in a fashionable looking cosmetic case valued at \$108.00. In contrast free gifts received on other occasions in-store or online normally include individual items, for instance a smoky eye shadow or free mascara. The alluring “Free Gift Time” promotion encourages women to visit the stores, buy a product and as a reward receive a valuable free gift. The free gifts promote sales and also act as samples, which encourage women to try the products, sometimes products they have not used before, at home. This may result in a purchase of a product, once the sample has been finished. The following is a quote from respondent one, who raised this theme.

“I wanted to buy my (brand) face and night cream online, so I went onto the online shop, but there wasn’t a special. I know from experience that Myer often offers a special with the (brand) range. Sometimes it’s “Buy 3 for \$35” which is a great discount, because my face cream alone is \$20. So last time I bought three face creams for the price of \$35. Sometimes they have offers where if you spend over a certain amount you get a good gift bag with a range of products for free, and sometimes you can pick which products you want, ones that you think best suit you, they do that with (brand) too.” (25, \$40,000, Partner)

The first point this comment reveals is that the woman wanted to, ideally, buy her product online. It is unclear as to why exactly, however, it appears that in this case it may have been for the convenience. She then reveals, that she actively went online to search for the product but discovered that there was no special being offered. To accept this option she

would have had to purchase the product at full price and may have incurred shipping fees. She did not choose this option. Rather she considered her alternatives, remembering from past experience, that Myer and David Jones often offer good value for money through gifts and specials. She portrays that the chance of getting more value for money at the store, is worth the inconvenience of travelling to the store. She did go to the store, found there was a deal on at that time, was pleased with the offer and made the purchase. She indicates that this is often the case with Myers and David Jones.

The respondent also reveals the element of personalisation, which was discussed previously in the literature review (Solomon, 2006). The respondent recalls that she can sometimes choose the free products she thinks will suit her best and receive gift bags. In this case we see that the in-store environment is encouraging product involvement through the use of free products and gifts and that it can compete effectively with online options. Respondent four supports this notion with her comment:

“Well, sometimes I come in because my products have finished, so I will go to the cosmetic counter and ask for the products I need. I normally try to do this when it is a free gift time.” (30, \$80,000, Partner)

The respondent firstly reveals that she visits the store when her products have finished. She did not indicate that she considers an online source for her replenishment. She revealed in another part of the interview that in past experiences she has found that there are no price differentials between online shops and brick and mortar stores. She explained that she gets a better deal in-store because the free gifts add value. From her comment she reveals that she goes to the counter and asks for the products she needs, implying that rather than taking the products she needs herself, she chooses to seek the service of the cosmetic brand ambassador. As she explained later, she likes the social interaction of the service. The respondent then reveals that she tries to time her purchase around the free gift bag promotion. This respondent is the highest earner of all the respondents in the sample, earning over \$80,000 as a Charter Accountant. Never the less, she revealed motivation to receive value for money and communicated that this could not be matched online.

“I actually want go to Myer this week to get a foundation from (brand) because, I got a card in the mail from Myer that said that if you buy something for over \$70 you will get the free gift, which has so much nice things in it, and you get a nice make-up bag with them.” (27, \$55,000, Single)

The above quote from respondent nine reveals that Myer has actively tried to remind their customers to come in-store. The “Free Gift Time” promotion cards are sent via postal mail and are sent only to existing customers that are on the Myer mailing list. In this case the promotion has been effective because it has lured the respondent into wanting to go in-store.

The theme of the “Free Gift Time” promotion, which is exclusive to the in-store environment, reveals that product involvement is encouraged and experienced in-store and the promotion lures customers into this environment, therefore effectively competing with the online environment. The effects the in-store environment would incur if the online environment began to offer the same “Free Gift Time” promotion is unknown. However, it appears the cosmetic brands use the “Free Gift Time” promotion to encourage in-store sales. If the cosmetic companies, Myer and David Jones wanted to change the behaviour of customers, from purchasing in-store to purchasing online, offering this promotion online may encourage the adoption of online shopping services. As supported by Lovelock, Patterson and Wirtz (2011), sales promotions can speed the introduction and acceptance of new services.

4.2.2 Online: Free Gifts and Samples

Although the “Free Gift Time” promotion is not offered online, according to some of the respondents, rewards such as free gifts and discounts are also offered to customers who choose to shop online.

“They also have loyalty discounts so that the more that you buy the more percentage you get off each purchase, like when I actually got my wash the other day they threw in a free gift with it. I got this smoky eyes gift, which was an eye shadow set with instructions on how to create the smoky eyes look. I get lots of emails telling me about specials and promotions...I have gone online over in-store because it is cheaper, that is why I basically do it online.” (27, \$55,000, Single)

Firstly, the respondent revealed that online stores have programmes that encourage customers to purchase more, offering more value for the customer and encouraging growth for the online companies. Although a free gift came with the respondents’ order of a face wash it is unknown if the respondent knew that the gift was going to be sent or if it was a surprise. Before online shopping services occurred, the distribution of samples was

traditionally the role of the in-store brand ambassador. The respondent stated that instructional material was given with the gift, so that the respondent could learn about the application of the product. Again, this is traditionally explained and sometimes demonstrated by the in-store brand ambassador. It is also revealed that the respondent gets reminders, just like the reminders from Myer and David Jones previously discussed. Lastly, the respondent highlights that in her experience online shopping is generally more affordable and that is the principal reason why she uses the online shopping service.

The comments from the respondent revealed that product involvement, in the context of “free gifts with purchase,” can be experienced online very similarly to the product involvement in-store. According to the respondent, reminders are sent to the target audience, gifts and discounts are communicated to promote the sale, if the purchase is made, and the product is handed over with a free gift or sample. It is also with educational and instructional material to perhaps to compensate for the lack of a cosmetic brand ambassador. In this example we can see that the online environment has emulated some services that are offered by the brand ambassador.

“I used to be in the army, so I was away from cosmetic shops. Because I wouldn’t get to the stores I purchased a lot online. They used to arrive to me on time, and the packaging was always nice, sometimes I would get free gifts and samples and they would recommend products to me too. It’s also cheaper online a lot of the time.”

(29, \$45,000, Partner)

The above comments from respondent 10 reveal similar themes. In this case the respondent had no choice but to order online as there was no access to stores. In this instance the online shopping services were a necessity for the respondent. She communicates her satisfaction for the packing and delivery service, which indicates that safekeeping of her products were considered by the company. She states that she received free gifts and samples, of which encourage product involvement. However, she states that this happened “sometimes” not consistently. This indicates the service of offering samples or gifts to customers is variable in the environment. As the online environment does not have the capability to offer testers in real time, the service of offering samples adequately and consistently to customers may be imperative. Therefore, to compare the two environments in terms of product involvement, the in-store environment appears to be surpassing the

online environment. Specifically relating to the theme of free gifts and samples, the online environment may be lagging.

4.2.3 In-Store: The Brand Ambassador

The brand ambassador is a marketing tool in itself that encourages product involvement felt by the customers. According to nine of the 10 the interviews, brand ambassadors encourage them to try, feel, and smell the product. Brand ambassadors traditionally encourage women to feel and smell the product in order to make the consumer interested, to entice them. This is often seen in the department stores with perfume promotions. Customers often have makeup applied to their face, and sometimes are offered a “makeover” while in-store. The encouragement of product involvement can be successful, however according to the respondent; it can be intrusive, disastrous and very damaging to the brand.

“Maybe I don’t want my foundation wiped off the one side of my cheek when I am in a public place and have a tester put on my face...I prefer to get a sample and take it home...they sometimes offer samples but not always, sometimes I have to ask. I remember last time I asked, I got a suspicious look, which I didn’t appreciate.” (25, \$40,000, Partner)

The first thing that a brand ambassador needs to do to apply foundation or any other facial product to the customer is to remove the existing makeup from the customer. According to this respondent, the process of sufficiently trialling certain products is uncomfortable because it is in a public place. The seats at the cosmetic counters are very much out in the open, and because they are located in department stores, lots of foot traffic can be expected. The respondent states that she prefers to be given a sample and then try it in the privacy of her own home. However, she claims that this service is variable. She is not always offered samples and admits that she sometimes has to ask, which quite possibly could be uncomfortable. She then explains that she had a negative experience with the cosmetic brand ambassador. This may deter her from going back to that specific brand ambassador, brand and from asking for a sample. Respondent seven and eight describe a situation where they were encouraged to trial a product while in-store.

“I asked her for a more natural look and then she put orange and blue on my eyes and I don’t think that is natural at all! I told her I liked neutrals and browns, in fact

I think I can tell you that I specifically said that I don't like blue! I will never let anyone in the (brand) do my makeup again, I don't shop in the (brand shop) that much anymore either.” (24, \$40,800, Single)

“I tried to get them to do my eyes one time and honestly, I came out looking like someone had punched me in the eyes you know, like black and blue, it was too blue for me (hisses, sighs). I looked terrible! I told her “I’m not a blue person” She said to me at the start, “the blue will suit you”, and I said “NO IT WON’T!” And she tried it anyway.” (30, \$57,000, Partner)

According to some of the respondents, it is evident that brand ambassadors encourage product involvement, by getting the women to smell, touch and try the products. However, in some cases it appears that the result of doing this is not always positive.

4.2.4 Online: Videos, Product Information and Customer Reviews

Comments from some respondents indicate that services that encourage product involvement are being offered in the online environment. The services are offered primarily through video demonstrations and written or verbal product information. Furthermore, unique to the online environment are the customer reviews. Characterised by star ratings, “Award Winner” badges and variations in the number of reviews to read, they help women during the information search stage of the consumer decision making process. According to the sample customer reviews appear to be a useful tool that offers information to the women.

“I just click on the product and it will display itself with testimonials and then it will have a link as to exactly what ingredients are in there and it has a mountain of info. And they have videos, they explain them. A world of information and it's done in a way with nice pictures and things that is still basic enough for any old person to click on it.” (30, \$60,000, Partner)

According to the past experiences of this respondent, there is sufficient educational information about cosmetics she has researched online. She communicates the ease of shopping online, the attractiveness of the website and believes that the shopping experience caters to older generations. She explains that she watches videos that demonstrate how the product needs to be used and applied, that there is thorough product information and that there are customer testimonials which offer other peoples thoughts

and opinions. These tools emulate some of the services that the cosmetic brand ambassador offers in-store. Respondent one stated, *“I will rather look online at reviews and watch videos, that sort of thing,”* which communicated her preference to use the educational services online, rather than receiving the same services in-store. Respondent seven also communicated her use of online services saying:

“I did lots of research online to see if people are actually saying it worked, I watched videos and read testimonials and read what the news was saying about it.” (24, \$40,800, Single)

“Yes, whenever I purchase a product even though I’m going in-store, I will actually do the research online. I will look at what people say in the reviews. I will actually rely on the review. I rely very much on the review.” (28, \$55,000, Single)

The above statement by respondent three reveals that she consciously uses both environments to come to a decision about her purchases. She says that even when she goes in-store and receives information by experiencing the products herself, she, in addition seeks out the opinion of the public to gather as much quality information as possible to make an informed decision.

We can see from these comments that the women in the sample become involved with the product through online services such as video demonstrations, product information and customer testimonials. These help the women in the information search phase of the decision making process. These services, to a certain degree, emulate the service of the in-store brand ambassador.

4.2.5 In-Store: The Visceral Nature of the Environment

The sensorial nature of the environment in totality promotes involvement. The respondent communicated that there were specific elements in the in-store environment that attracts and draws them in.

“I like how things are laid out and there are pretty pictures around and I like to smell the different perfumes and feel the consistency of the products.” (25, \$40,000, Partner)

“I can sort of test them first, see if the colours are good.” (27, \$45,000, Partner)

“It’s very visual and tactile, you can pick up something, it’s nice to look at the displays and you get to sort of try colours.” (30, \$57,000, Partner)

“I like the posters and the colours and look at all the products and try the products...get to see it live, you get to touch it and the other thing is the display, let’s say if they know how to display it in a theme, in a nice theme you will suddenly get interested to buy.” (28, \$55,000, Single)

“It’s a nice sensory environment.” (29, \$45,000, Partner)

“I like to feel the different things and smell the perfumes and creams and talk to the attendant.” (30, \$80,000, Partner)

Some women in the sample portrayed that they get to try the products in-store. This is because in the in-store environment there are displays and assortments of testers to try. This is something that cannot be experienced in the online environment.

4.2.6 Involvement Differs from Situation to Situation

The theme that the level of involvement varies from one situation to another was prevalent in this study. It appears that some women are highly involved in their choice of foundation, but only when it is the first time they are choosing the foundation. The second time they purchase the same foundation, the high involvement diminishes. Therefore, purchasing the foundation for the first time appears to take place in-store and replenishments of the same foundation can then take place online with ease.

“The foundation I choose is the most intense purchase of mine because it’s very important that it matches. So if I want a new foundation, just for a change or something, I will have to go in-store and check with the sales girl first. I just can’t see how you would do this online because it will be too much guess work. I think there will be a small chance you will pick the correct colour from just a picture. I can only see that happening if you know the product well, then you can order it online.” (25, \$40,000, Partner)

Firstly the respondent admits that foundation is a high involvement product. She explains that in a situation where she wants to get a different foundation (not a replenishment of the existing foundation) she feels she must go in-store and receive guidance from the brand ambassador. She compares this in-store shopping environment to the online environment

insisting that she can't see herself purchasing a foundation online, merely through the viewing of pictures. She states that she could only see herself doing that in the instance of a replenishment purchase where she would at that stage be an existing customer to the brand. The following comments support this theme:

"You can't colour match online so I will go to the store to get my first, for instance mineral foundation powder, to get the colour match and then buy online. I have bought a foundation online, but after it's been matched, I knew the product well so it was a replenishment." (24, \$40,800, Single)

"I think the only time I will ever purchase online is when I tried the product and I am confident that the product is ok, and then I will repeat, like for example if I bought Lancôme foundation number 24 I will just purchase online number 24. I will never buy anything new." (28, \$55,000, Single)

"Well, for example with foundation you do need to go in-store to get you colour matched... if you are a new customer to a specific brand you wouldn't know what colour to use." (27, \$55,000, Single)

Therefore, four of the respondents highlighted that foundation specifically is an in-store purchase. This is due to the fact that it needs to be matched, and is very high involvement. It was also noted that replenishment purchases are made online. This would indicate that the in-store environment is where a company may find new customers and the on-line environment may be where existing customers choose to shop.

According to the sample, it is evident that product involvement is high when it comes to the purchasing of cosmetic products (in exception to the case of a replenishment purchase). There are aspects in both environments that cater to the fact that customers are highly involved with their cosmetic purchases. However it is evident that the online environment does not cater to this fact as successfully as the in-store environment. The in-store environment offers, the "Free Gift Time" promotion (with the element of personalisation), the distribution of samples, a visceral experience and the availability of testers, which is all managed through the service of the brand ambassador. This mix offered information and services that informed the respondents, aiding in the decision making process. In the online environment, the aspect of customer reviews, video demonstrations and written and verbal product information, were the three themes raised consistently amongst the respondents,

which encouraged product involvement and prove to be useful tools. Although it was identified that the “Free Gift Time” promotion is only offered through the in-store environment, some women in the sample revealed that free samples and gifts are sent with online purchase, but only in some cases (no element of personalisation appeared in the interviews in regards to online services). Importantly there are normally heavy discounts and specials available online, which makes the online services attractive all the more advantageous for replenishments purchases. These themes are summarised in Table 6.

Table 6: Product Involvement Themes

In-store Environment	Online Environment
Free Gift Time Promotion (Personalisation)	Same in-store Free Gift Time not offered online
Brand Ambassador distribution of samples	Free gifts / samples and discounts (No evidence of personalisation)
Visceral nature of store Testers	Verbal and written product Information Customer reviews Video demonstrations

4.3 Research Question Two: Product Familiarity

The second research question of this study asked “*What aspects in the online environment and in-store environment encourage product familiarity for the consumer?*” Various questions in the interview protocol revealed insight into this topic, specifically the questions; “*Why do you shop or not shop online for cosmetics products?*”, “*Why do you shop in-store for cosmetics?*”, “*Does the brand ambassador do anything that encourages you to become familiar with the product?*”, “*Has there ever been a specific instance where you sought out in-store shopping over on-line shopping?*” and lastly, “*Has there ever been a specific instance where you sought out online shopping over in-store shopping?*” In relation to product familiarity in the in-store environment, the availability of **testers**, **samples** and the educational and experiential service of the **brand ambassador** emerged consistently and have therefore been identified as the aspects that encourage product familiarity. Themes that arose in the online environment that encourage product familiarity included educational written **product information** offered by the official brand websites and various other websites, **customer testimonial analysis** across various internet websites, the **pictures** of the products themselves and the viewing of **educational videos**, including visual demonstrations. The theme of a **lack of free samples** offered via the online environment is identified and may be a significant weakness of the online environment.

4.3.1 Testers and Samples

The importance of testers and samples available for trial in the in-store environment was raised by several of the respondents. Respondent seven explains her perspective saying:

“If I couldn’t try a product I would be more reluctant to buy, especially depending on the price. If it was cheaper I wouldn’t mind because I wouldn’t mind wasting ten, twenty dollars on a foundation that wouldn’t work. But if you’re buying a ninety or one hundred dollar foundation and it’s not going to match you when you put it on at home, then that would be a problem.” (24, \$40,800, Single)

In this comment the respondent reveals the possible outcome of a situation where a sample is not available. She explains that she would be reluctant to buy the product in question if she was unable to sufficiently try it first. She explains that especially in a situation where a product is more expensive, a sample would be even more necessary. This quote reveals that product familiarity is very important to this woman and that if she can become more familiar with the product she will be more inclined to buy it. A lack of familiarity results in unwillingness to make the purchase. A similar notion was presented by respondent eight who explained:

“I like to try it on, sometimes I will put the foundation on my hand, that sort of thing. If I couldn’t try it, then I would be worried about spending the money on it, in case it wasn’t the right product. If I know exactly what I want, I can order it online. But if there is something new on the market I will go straight to the counter to see what everyone is talking about. I wouldn’t go online for that. I want the product in my hand so I can try it before I am confident to buy.” (30, \$57,000, Partner)

This respondent raises the notion that a lack of familiarity is a barrier to purchase. She begins with saying that she has a preference to try the product on; clarifying that if she couldn’t become familiar with the product she would feel uneasy parting with her money. On the other hand she makes it clear that if she knows the product, (is familiar with it) she can purchase it with ease online. She makes it clear that unfamiliar products which are new to the market will be investigated and tried in-store and familiar products, she feels can be ordered online, which the respondent has done in the past. This notion that familiarity is essential when buying luxury cosmetic products is further supported by the following comments by respondent one, two and six:

“I need to sufficiently try the product before I will feel comfortable to buy it.” (25, \$40,000, Partner)

“I like to try before I buy.” (27, \$45,000, Partner)

“I like to try it on; sometimes I will put the foundation on my hand, that sort of thing. If I couldn’t try it then I would be worried about spending the money on it in case it wasn’t the right product.” (18, \$20,800, Single)

According to these comments it is plausible to suggest that the in-store environment is a place where the women feel they can adequately become familiar with the product. This conveys that testers and samples are an important aspect of the in-store environment which encourages product familiarity. In contrast, the online environment does not appear to be a place where they feel they can become adequately familiar with a product. This looks to be a very big weakness of the online environment. Only two respondents commented on this weakness saying:

“Well, if I could get the sample first for free, I can try it and then if I like it I can order it,” later saying, “Sending a sample in the post would help, they don’t tend to do that, I have never seen free samples being offered online. Certainly I would like it if you can get a sachet and try it.” (30, \$57,000, Partner)

“I don’t really like how samples are not offered that often; they don’t seem to be readily available. I would use samples if it’s a product that I am interested.” (27, \$55,000, Single)

4.3.2 In-Store Brand Ambassador

As previously revealed in research question one, according to nine of the 10 respondents, brand ambassadors encourage them to try, feel, and smell the product, which helps the women become familiar with the products. It is also clear from the respondents that the brand ambassador performs an educational service, by informing customers and answering their questions as well an experiential service by applying the products to the customers. This ideally results in higher satisfaction whether the woman decides to purchase the product or not. The following are some comments by the sample in regards to the aspects of the brand ambassador and how they encourage product familiarity:

“...she gives samples for me to take home to see how I like it and she lets me try them in-store and tells me about the product and answers my questions...The

interaction is that first they will tell you about the product, they will actually check the colour of your skin.” (28, \$55,000, Single)

“...she can answer the questions I have and she explains it to me and shows me how to use it and how often to use is and how long it will last ...first of all she shows me the product and talks about its suitability for my skin tone. She puts it on you, your face or your hand to see what I looks like.” (30, \$80,000, Partner)

4.3.3 Online: Research, Pictures, Testimonials and Videos

The aspects that encourage product familiarity in the online environment which emerged from several of the interviews included customer reviews, the pictures of the products themselves, product research and video demonstrations. For example, two of the respondents said:

“I watched videos and read testimonials and read what the news was saying about it.” (24, \$40,800, Single)

“There are really good makeup tutorials on the Estée Lauder site and heaps on YouTube and lots of different makeup tools and types and how to use them and their names...Reviews online are really good. I think reviews are best, because there is normally a big quantity of them so you get lots of opinions and normally there are patterns in the reviews.” (25, \$40,000, Partner)

“I have researched products online, like I’d go to (brand website) and then read a lot, like the official (brand) webpage into ‘products’, and then go in-store to buy the product.” (27, \$45,000, Partner)

It was evident that some women feel that the online environment offers services that are useful, including sufficient product information, testimonials, pictures and video demonstrations. However, it is evident that product familiarity is more successfully achieved in the in-store environment rather than the online environment. Although the online environment is offering tools that are being used, the lack of free testers and samples strip the online environment of the ability to offer as sufficient opportunity to become familiar with the products. Refer to Table 7 for an outline of the aspects in both environments that encourage product familiarity.

Table 7: Product Familiarity Themes

In-store Environment	Online Environment
Readily available testers	Educational written product information
Samples	Customer testimonials
Educational and experiential service of the Brand Ambassador	Pictures (sometimes 3-D) Education videos and visual demonstrations Lack of samples and testers

4.4 Research Question Three: Perceived Risk

The third research question of this study asked, “*What is the nature of the risk assessment performed by online cosmetic and in-store cosmetic shoppers?*” According to the sample, there were four main types of risk that consistently materialised in several of the interviews, including **financial**, **functional (product performance)**, **psychological** and **physical** risks. In regards to the online environment, risk assessments were made by respondents when they were unsure if the products were genuine or not (functional and financial loss). Furthermore, risk was felt by the consumer when the product had never before been purchased or tried, in other words there was low product familiarity (functional risk). The respondents noted that they felt no risk in regards to the aspects of credit card safety, as most of them revealed they have protection in place such as having a PayPal account or by using a separate bank card used solely for online transactions. In relation to the in-store environment, many women discussed the psychological risks they feel when conversing with a brand ambassador. Lastly, physical and financial risk assessments about the purchase of a product are made both in the online and in-store environments.

4.4.1 Online: Authenticity - Financial and Functional Risk

The comments made by some respondents in regards to the authenticity of products available online revealed that feelings of risk associated with financial loss and functional performance are experienced. The question of authenticity was not observed to be a trait of the in-store environment.

"I knew the product well so it was a replenishment, but even then you worry that you are not getting a genuine product really when you buy online, that's the problem." (24, \$40,800, Single)

Firstly, this respondent indicates that even in the instance of a replenishment purchase which has lower risk because it is a familiar product, she still experiences risk due to the chance the website she is purchasing from is distributing counterfeit products. This may indicate that she is unfamiliar with many of the various sites online and has little trust for some of the cosmetic online e-tailers. The respondent raised her same concern again and expanded saying:

"Well, like I said sometimes I don't want to shop online because you just don't know if you're getting the actual product, unless it's from their specific site, but a lot of them don't sell off their own site. For instance (brand) doesn't sell from their site, they will divert you to other sites, so you just don't know if you are getting the real thing or getting a fake. (Cosmetic e-tailer) has perfume and products online but I'm not sure that they are genuine as well." (24, \$40,800, Single)

Firstly, the respondent indicates that the functional risk assessment creates a barrier to shop online. As the product could be a counterfeit it may lack the desired ingredients she would find in an original product. However, she reveals that there is no risk felt in conjunction with the authenticity of a product when the website of the product is a trusted brand. However, she reveals a weakness she believes the online environment has, which is that the official brands are selling their products through suspicious websites, and not enough through their own official trusted websites.

Another respondent made similar comments to those of respondent seven, explaining that less risk is felt when purchasing from the official website of a company as opposed to other e-tailers. Respondent one highlights:

"I haven't purchased on (cosmetic e-tailer) or those other sites because I question whether they are genuine. There are many fake products around, and because it's for my skin I need to know it's the actual product designed by the brand, not have fake ingredients. And because it's my money I obviously want it to be the product I want, not a fake one. So, if these brands sold online from their actual brand websites then I will be inclined to buy online... if I buy in-store I know 100% that

it's genuine, with most of the online options you can't be sure, unless it's from the official website.” (25, \$40,000, Partner)

Again the same concern was raised by respondents eight and six while discussing online shopping on a very popular e-tailer. Respondent six raises the same concern:

“It's hard to tell if that is real too, that could be made in the back street of Bangladesh and you wouldn't know, truly you would not know!” (30, \$57,000, Partner)

“Sometimes you are not really sure if you should buy it from that specific website, because there is a lot of fraud going on as well, so sometimes the products aren't exactly what they say, they sometimes, you could get it online and you are like “Oh that isn't what I wanted” whereas in store you can just be like “Yep, cool, and you can try it and everything.” (18, \$20,800, Single)

4.4.2 Online: Lack of Product Familiarity:

Further comments were made in regards to the performance of a product in the online environment, an environment where the product and services are intangible. Respondent three used the word “risk” when describing purchasing a product online:

“I feel like I am at higher risk, because you are not doing the quality check for yourself and you do not, like when you see the picture it looks nice but when it comes you will see that “oh the texture isn't nice” and sometimes it's thick and you don't like it.” (28, \$55,000, Single)

The respondent communicates that while considering a purchase online, she feels risk as she is unable to feel and physically check the quality of the product thoroughly before purchasing it. She explains that the picture does not fully communicate the features and attributes of the product, and that in actual fact it can look like one thing but turn out to be another. This communicates that the online environment can at times be deceiving to the customer. When the product later arrives, there is the risk that she will be disappointed and her expectations of the product fall short.

“There is a lot of guesswork with the shades and everything, the fragrance online, you do think to yourself, “Gee, I wonder what they smell like, or what does it feel like?” (30, \$57,000, Partner)

This quote portrays the inability for the respondent to become adequately familiar with the product. She communicates her uncertainty about the product and uses the term “guesswork” which suggests a sense of riskiness.

Again the theme of performance risk of the product and financial assessments emerged with this comment by respondent two:

“The big thing for me is finding products that I can test, because I feel online I don’t, it’s not a really good indicator of what the colours are like, so if I found a product that I really liked and I knew exactly what colour and what number it is, I’ll probably, will get it online, if it’s significantly cheaper.” (27, \$45,000, Partner)

The inability to test the product in question is a big downfall for this particular customer. She feels she cannot test the product adequately online, in other words become sufficiently familiar. Again, this reveals that familiarity is an important part of cosmetic shopping, and is lacking in the online environment.

4.4.3 Online: Functional Risk

In several comments made by the sample, it is evident that many women shop online because the price is generally more affordable. However, one woman made a comment suggesting that products priced at a lower cost to that in-store create more risk for her. She explained saying:

“I would think of buying online, if the price online was better, but I would worry that there would be something wrong with the product. What is the con, what is the negativity? Is it because they have kept the product for too long? I will have that worry in my head.” (28, \$55,000, Single)

4.4.4 Online: Credit Card Security

Some of the respondents raised the issue of credit card security. Although, none of the respondents said that they do not shop online due to this financial risk they indicated that the websites they shop on are evaluated individually.

“In regards to security, well I would look at the website and try to establish if it was the genuine website of the brand which is not always easy and then I have a credit card that I use specifically for online purchases which reduce the risks, but I am still cautious.” (30, \$80,000, Partner)

This respondent reveals that she makes an assessment of the website itself revealing that she questions the authenticity of websites themselves, not just the authenticity of products. She implies that she decides if it is safe to provide her credit card details based on if the website belongs to the official brand or not. This signifies that perhaps less risk is felt when shopping on an official brand website, rather than an e-tailer. She reveals she has actively put measures in place to protect herself, however the risk is still present. Again this same theme was raised by respondent two who acknowledged:

“I do generally trust the whole credit card thing, like if it’s a trustworthy site that’s fine.”

(27, \$45,000, Partner)

This comment reveals that the respondent does not feel financial risk in this regard, under the condition that her credit card details are only used on a trustworthy site. It is plausible to suggest that a trustworthy site is a familiar site to the respondent.

“I don’t worry about credit card issues or anything like that because I am very vigilant. On EBay it’s on a safe site, I use Pay Pay, and I don’t give out my credit card details willy-nilly to anyone.” (30, \$57,000, Partner)

This respondent reveals the same theme. She suggests that she feels comfortable using her credit card because she uses it on a safe site. She also feels less risk because she exercises vigilance, implying assessments are made on each website and the trustworthiness of the website is assessed at the time.

4.4.5 Brand Ambassador: Psychological Risk Assessments

As alluded to in chapter two, feelings of risk may be expected if the product is of a considerable cost to the consumer or is complex and hard to understand (Solomon, 2006). This is very often the case when choosing luxury cosmetic products, which is why the cosmetic brand ambassadors offer a service that is educational, experiential and relational (Chiou & Droge, 2006). This concept became noticeable in the study where several women acknowledged that they need the brand ambassador present to answer questions, help with understanding the benefits of the products and ask about the ingredients among other services. However, although it was evident that women prefer to have assistance in the store environment, they can feel psychological risks. Due to this, some women put makeup on before they go to the cosmetic counters so they do not feel judged. Some

women showed signs that they can feel uncomfortable while in-store, affecting the in-store experience, which compromises their satisfaction as a customer. This is highlighted:

“I had one instance with (brand) where I was looking for a moisturizer and the lady was like really rude, because she said, well you see my skin was dry, because I naturally have dry skin and she said, “Do you hear that noise, it’s your skin crying!” And I felt so “Oh No.” And I didn’t buy it, and I really don’t want to go back, because you don’t go there to be insulted, it was intrusive, it’s like going to the hair dresser and her pointing out that you have dandruff, rather just give me the dandruff shampoo quietly. There are tactful ways of saying things. It’s like saying to a teenager, “Well you have pimples!” that kind of thing.” (29, \$45,000, Partner)

This example given by respondent 10 indicates that certain interactions with service personnel can be damaging to the brand. The respondent firstly acknowledges that she had a problem that needed to be solved and decided to go to the in-store environment to look at various options and to seek advice of the cosmetic brand ambassador. However, the brand ambassador failed to be hospitable to the respondent and clearly lacked in interpersonal skills. The consultant made the respondent feel self-conscious and ridiculed which resulted in a negative and unsatisfactory experience that lead to the respondent refraining from making the purchase. Furthermore, it appears that this single experience will prevent the customer from ever returning, may encourage online alternatives in the future and may generate negative word of mouth about the brand.

Respondent eight reveals the presence of psychological risk when in the presence of cosmetic brand ambassadors saying:

“Well a lot of them think they are better than you, some of them are quite aloof. I think you will find that a lot of people in those areas if you happen to go very casually dressed, they will probably look down on you. I find myself putting on lipstick before I go to the counter.” (30, \$57,000, Partner)

She indicates that she has sometimes experienced snobbish behavior in the past from brand ambassadors, indicating that some of them can be unfriendly and unapproachable. She then expresses the pressure she feels to be dressed in a certain way in order to experience the service. Indicating that the way the one is dressed is an influencing factor on the quality of service one can expect. The respondent exemplifies the presence of this notion by

revealing that not only is she aware of it, but she also puts lipstick on to prevent a poor service and psychological risk. This is seen again with other respondents:

Some would actually turn away depending on what I was wearing, you know I might have gone in wearing casuals right.” (30, \$60,000, Partner)

“One lady, who you could tell was thinking, “Oh she is not going to buy the product anyway. She wasn’t looking into my eyes that much, just sort of thinking “ah you’re not good enough for this product.” I think if you don’t look good when you go in, they don’t take you seriously, they probably won’t even care about maybe suggesting a different product, they just want you in and out.” (27, \$45,000, Partner)

4.4.6 Physical Risk Assessments

Some of the respondents conveyed that when purchasing cosmetic products they evaluate and enquire after the ingredients in the products. This is done not only to assess the performance of the product, but also to identify if there are any health risks associated with the product. One woman, respondent five, is now a devout customer of a certain brand and purchases all of their products online. This is because she firmly believes that the ingredients in the products are healthy for the body. This respondent used to shop heavily for cosmetics at Myer and David Jones, but after doing significant research on the products available there, decided that they do not meet her health and safety standards. She stated that:

“People just really have to educate themselves on what actual ingredients on the back are good for you and what are not...our skin absorbs 60% right. And so you know when people get cancer and like diseases. It’s very, very scary but people get these diseases out of the blue without even having a history of it. And these are the things that as I get older and I realise that our skin just absorbs everything. So the younger girls just don’t know, and it’s scary.” (30, \$60,000, Partner)

This commutates that the respondent is very vigilant when it comes to her choice of products, demonstrating high involvement. She relates the use of some cosmetic products to the disease of cancer, highlighting the severity of her choice of product. She admits she was less involved with the product category when she was younger, but notes that the older she gets the more she requires quality information to base her decisions on. She claims that

young girls are uneducated and less involved in their product choice resulting in higher physical risks.

This notion is supported by a comment made by respondent six, the youngest woman in the sample, who stated:

“I have only purchased once online so far, because it was a bulk purchase and it worked out that the foundation cost two bucks each and I got three of them I think, which lasted me months. The offer wasn’t on in the shops so I got it online.” (18, \$20,800, Single)

She also stated that her purchase depends:

“on the price as well, if I like one that is about \$30 and one that’s quite similar for \$15 then I will go for the cheaper one.” (18, \$20,800, Single)

Again the theme of physical risk was raised, this time by respondent eight:

“There are some questions that you want to ask, if there is a particular, say ingredient, and think oh, I don’t know what that is, what the hell is it? I can ask, “Do you know what this stuff is, ‘hydroluxurate’ or whatever, and sometimes they don’t know, but you want to know if they know. And sometimes they will say that ingredient is “OK”, or whatever, I just picked that out of my head, but I do look at the backs of things when I buy, and I try not to buy anything with aluminium in it, it’s not good, cancer.” (30, \$57,000, Partner)

This quote reveals an instance where the educational service of the cosmetic brand ambassador was sought after to determine the potential physical risks of a product the question. This respondent became more involved with her product choices after being diagnosed with breast cancer several years ago. She reveals her need to expose any potential health risks through information search. She states that she seeks advice from the brand ambassador however; the brand ambassadors don’t always know what ingredients are contained in the products they are selling. This indicates that they may not always be a reliable source of information. The respondent also says that on occasion they do know and communicate that the ingredients are OK. This may suggest that she trusts the brand ambassadors, who can quite possibly lower the physical risk experienced.

A comparison of the two environments in regards to risk assessments made by the women in the sample highlight that different risk assessments are made in each environment. Financial risk assessments are made in both environments, where although it is believed that the online environment is where one can get better deals financially, other risks assessments on the performance of an unfamiliar product, credit card fraud, and the authenticity of the product in question are made. Comments made about the in-store environment did not raise these issues but the notion of psychological risk is quite prevalent in regards to interactions with the brand ambassadors. Lastly, physical risks were also identified and are applied to both environments as the risk is associated with the product not the environment. These themes are summarised in Table 8.

Table 8: Perceived Risk Themes

On-line Environment	In-Store Environment	Both Environments
Financial Risk	Financial Risk	Physical Risk
<ul style="list-style-type: none"> • Authenticity of product • Credit card security concerns when on a e-tailer other than official brand website 	<ul style="list-style-type: none"> • Prices are normally higher than online 	<ul style="list-style-type: none"> • The product and it's ingredients
Functional Risk	Psychological Risk	
<ul style="list-style-type: none"> • Product (due to unfamiliarity) 	<ul style="list-style-type: none"> • Brand Ambassador 	

4.5 Research Question Four: Trust

The final research question of this study asked, “*What elements of the in-store environment and what elements of the online environment propagate trust between the brand and the consumers?*” The interview questions that revealed the most to answer this research question were; “*Do you feel like brand ambassadors can be trusted?*”, “*Do you feel that the brand ambassador increases the trust you have about the product you are considering?*”, “*What kind of experiences have you had with the brand ambassadors?*”, “*Give an example of an instance or situation where you came in contact with a brand ambassador?*” and “*Do you trust customer reviews more than you trust brand ambassadors?*” According to the interviews the issue of trust in regards to the online

environment related to the **authenticity** of the product in question and the believability of the **customer reviews**. In regards to the in-store environment, the **brand ambassador** and their effect on the trust felt by the consumer was very prevalent in the interviews.

4.5.1 Authenticity of the Product in Question

The theme of authenticity was discussed in the “risk assessment” section of this paper, and therefore will not be discussed again heavily in this section. However, the authenticity of the product was a theme in regards to the element of trust between the consumer and the online environment. This is because it was revealed that the women in the sample trust that they will receive a genuine product in-store whereas online, it is uncertain. There is a higher risk that the product, when bought online, is an imitation; therefore there is less trust felt online when making a purchase. This may therefore discourage a purchase from taking place in the online environment.

4.5.2 Believability of Customer Reviews

The believability of customer reviews was raised in all of the interviews. When asked “*Do you trust customer reviews more than you trust brand ambassadors?*” Six of the respondents stated that they trust customer reviews more than brand ambassadors, two of the respondents said that they trust brand ambassadors more, and two explained that it was a circumstantial decision. The two respondents that affirmed that they do not trust online customer reviews made similar points. Respondent eight said:

“I don’t trust customer reviews; not really, you don’t know where it comes from, if it’s cosmetics you don’t know what their skin type is, you know. I look at what people are saying but I don’t believe everything I read because I know for a fact that these companies can falsify reviews and things, easy. I haven’t read anything online that has got me to then go in-store and buy. Over the two I would believe the brand ambassador.” (30, \$57,000, Partner)

Firstly this respondent states that she does not trust customer reviews, saying that she does not know and therefore trust the source of the information. She questions if the information is genuine (written by an individual), and implies a belief that reviews are written by the companies. She later confirms this saying that she knows of companies that have falsified reviews (later in the interview she reveals she worked for a company that did this regularly). She raises another issue communicating that specifically with cosmetics, it is

very much a personal decision, and cosmetics are purchased based on the personal taste of the individual. Therefore, if a person claims, for example, that a night cream has done wonders for her skin, that does not necessarily mean the person reading the review will experience the same outcome, as each person's skin is unique. Therefore the value of the review is questionable. This appears to be the point the respondent is making when she states "if it's cosmetics you don't know what their skin type is, you know."

Respondent two explains that she feels very similarly stating:

"No because sometimes the reviews can't really be trusted, you don't know who has written them and the products work differently for people, so." (27, \$45,000, Partner)

Conversely some respondents stated that they trust customer reviews more than the brand ambassador. Respondent one explains her position saying:

"Yes, definitely because they do not work for the brand, they are real people and the quantity of the reviews helps with the credibility. I think the reviews are best, because there is normally a big quantity of them so you and get lots of opinions and normally there are patterns in the reviews." (25, \$40,000, Partner)

This respondent asserts her trust in reviews, emphasising that the brand ambassador cannot be trusted because they are being paid by the brand. She communicates trust in the reviews revealing that she believes they are genuine people with valid opinions. She implies that the amount of reviews can aid in the credibility of the overall opinion of the brand and product. Therefore it appears that the more reviews written about a product, the more believable the themes about the product are.

"The customer reviews I believe more, because the brand ambassadors are tied down with the company, whereby the customer reviews give you recommendations with an honest review." (28, \$55,000, Single)

The above comment by the respondent reveals similar beliefs to respondent one. She trusts the customer reviews more the brand ambassador suggesting that the loyalty of the brand ambassador lies with the brand and not the customer, where as other customers are not in that relationship and can therefore give honest reviews. This may imply that the respondent believed that brand ambassadors can sometimes offer dishonest reviews about a product.

“I haven’t read customer reviews online, no not really, I look at the official websites and the description of the products. I listen to the brand really, because I have my favourite couple of brands, and when I see they have something new out, I feel it’s something that I trust, so I might want to go try it.” (27, \$55,000, Single)

This comment by respondent nine reveals that she does not consult customer reviews during the information search phase of her decision making process. Rather she maintains her use of official trusted websites and the product information. This respondent was the only respondent who revealed customer loyalty to her favourite brands. She clearly states that she listens to the brand, portraying trust in what the brand communicates. She admits when a new product is released onto the market by her favourite brand she already feels it’s a product she can trust. To get to this point of loyalty the respondent must have experienced multiple episodes of satisfaction, which lead to the building of trust in the brand. She clarifies her loyalty to her favourite brand through this analogy:

“So basically, if I have tried the MAC foundation which I have done, I will instinctually go and try their blush because I have been very happy with the foundation. I feel safe with their products, I know they last long, its good stuff, it’s not going to get old. But even with MAC, if I wasn’t happy with one product I will still go back just because I love the brand, you know, it’s kind of like the Apple brand, people say “The (brand) phone is so much better than the iPhone”, but they still go buy iPhone, that is how it is with MAC, you know what I am saying, it is always a brand that I will go back to.” (27, \$55,000, Single)

4.5.3 Trust and the Brand Ambassador

In relation to the in-store environment, the theme of the brand ambassador and its effect on the trust felt by the consumer was very prevalent. Themes that arose in relation to the brand ambassador included the notion that the service is variable and inseparable. Many of the respondents believe that the brand ambassador is on a commission, which makes the customers feel that the brand ambassador is trying to hit sales targets, which effects the trust felt by the customers. Many respondents hold the firm belief that cosmetic brand ambassadors at David Jones and Myers are not satisfactorily trained, affecting their trust in the brand ambassador. Finally, many respondents revealed that the brand ambassador should be using the products they are trying to sell so that they can speak with authority on the products.

4.5.4 Up-sales and Sale Targets

Several respondents believe that the brand ambassadors are essentially sales people, making up-sales wherever possible and pushing (what can be unneeded products) onto customers. This sales technique evidently lowers the trust felt by some of the women and in some cases makes women avoid the service all together.

“I think they are just there to sell and they can be pushy a lot, so I avoid them pretty much all the time.” (25, \$40,000, Partner)

“I think they do try to sell you additional products to what you went into get, but generally they are quite trustworthy.” (30, \$80,000, Partner)

“It’s their job to make sales targets.” (30, \$60,000, Partner)

“I wouldn’t necessarily trust them because they are selling the product; I have the thought that these women are sales people essentially.” (24, \$40,800, Single)

“They push the products on to me too much. Sometimes I think they are just trying to meet sales targets.” (30, \$57,000, Partner)

The characteristics of variability and inseparability of the brand ambassador service became prevalent in some of the interviews. Respondent one observed:

“You don’t get good enough service, enough, like it doesn’t happen constantly, so I won’t take the chance with them because they will most likely waste my time, or even p&& me off.”* (25, \$40,000, Partner)

Firstly the respondent believes that the services are generally not at a high enough standard and then points out that the standard of service is inconsistent. She implies that when she has the opportunity to take advantage of the service she is unsure of the quality she will receive, communicating a sense of performance risk. As the service of the brand ambassador is intangible, it is difficult to predict the quality of the service. She then affirms that her expectations will more than likely not be met, resulting in unsatisfactory

and unpleasant service and feelings of anger. The belief that the service is inadequate and inconsistent and that the service will leave the respondent with negative feelings, indicates that trust has not been built between this respondent and the brand ambassadors of cosmetic counters.

“Yes, I do but I also have to think at the time, because some girls are better than others, so sometimes I trust them, sometime I think, “No”.” (28, \$55,000, Single)

The respondent initially states that she trusts the service of the brand ambassador but then reveals that the trust is circumstantial. From her experiences some brand ambassadors offer better services than others (variability), and this creates an inconsistency in the trust felt for brand ambassador, which affects the relationship the customer has with the brand itself. The following comment by respondent four also reveals the inconsistency of the service offered, and reveals an instance of perishability and inseparability:

“I have found very often that there is nobody at the counter which is very frustrating; even on late night shopping on a Thursday night which I think is appalling.” (30, \$80,000, Partner)

In this instance the idea that the customer and the brand ambassador needed to come together for the service to be performed is evident. The respondent makes it clear that her needs are often not met and therefore experiences dissatisfaction because of the variability of the service. She highlights, that on a Thursday night, the only night of the week that Myers and David Jones are open to customers, the service is not made available which makes it all the more unreliable. This inconsistency could very well encourage an individual to seek the services elsewhere. She further explains inconsistency in the service by recalling:

“One beauty advisor will tell you one thing and the next time you go they will tell you something else about the way the product should be applied or the type of product you should buy for your skin type or your skin tone. So that can be frustrating.” (30, \$80,000, Partner)

4.5.5 Lack of Training

According to the interviews, it is believed by some, that the brand ambassadors do not have enough skills to perform a satisfactory service. The women in this sample who came to this conclusion base this belief on past experiences where they have witnessed poor makeup application skills and a lack of knowledge about the products. This appears to be one reason for the lack of trust felt by the customer and the service offered by the brand ambassador. Respondent seven insists:

“I don’t get the girls there to ever do my makeup because I just don’t trust them to, because I think I will come out looking like a drag queen. They are clearly not that trained.” (24, \$40,800, Single)

Firstly the respondent states that she does not consider the services of the brand ambassador. She revealed at a later stage in the interview that she has experienced nothing but negative interactions with cosmetic brand ambassadors and continued to say that she does not know a single person who has experienced a satisfactory one. Due to her multiple disappointing episodes of service she sought out other services and has for several years used the services of professional beauticians and online services. She affirms her lack of trust for the brand ambassadors and blames the displeasing service on a lack of training. She also revealed soon after, that she blames the cosmetic houses for this shortfall. The following comments support this theme, which reveals an apparent cause for the lack of trust felt for the service:

“There is room for improvement. I think the brands have to have somebody trained.” (30, \$57,000, Partner)

“I don’t think they are that skilled.” (25, \$40,000, Partner)

“The girls in the store are so uneducated about what your concerns are.” (30, \$60,000, Partner)

4.5.6 Brand Ambassadors: Personal use of the Product

“And the other thing is that not once have I ever heard a brand ambassador say “I have used this product”, or ever say “I have used the sample because I can’t really afford it”, which would be fine, but yeah, they never say, “I have used it” and so on. You can’t trust them as much because of that.” (25, \$40,000, Partner)

The respondent insists that in all her time of cosmetic shopping she has never had a brand ambassador claim their personal use of the products they are trying to sell. The respondent accepts that not all brand ambassadors are able to afford the highly priced products that they are selling, but does believe that the brand ambassador should have at least used a sample to experience the trial period. This is so that they can honestly communicate about the product. She affirms that due to this aspect, she cannot trust what the brand ambassadors say about the product.

The following respondent, respondent nine, who was previously identified as the only respondent who exhibits trust and loyalty to her cosmetic brands, reveals that there is more trust felt when the ambassador uses the product. She states:

“I’ve had good experiences; I’ve never had a bad experience. I find them quite helpful. I feel like they listen to me, I feel like they will give me good advice generally. I think sometimes she does create more trust, especially sometimes when they say they actually use the product.” (27, \$55,000, Single)

The following comments support this theme and emphasise the apparent importance for brand ambassadors to use the product. Furthermore, this may suggest that companies should instil this in the organisations culture, in order to propagate more trust between the brand ambassador and the customer.

“I think it’s very important that they use the product they are selling, absolutely. The companies should make sure that their staff are using the products even if they give them some for free.” (30, \$57,000, Partner)

“They don’t personalise it, like they don’t say “I have used this product, its good,” they just say “This will be the best for you,” and I’m thinking, “Because it’s \$100 more yes that would be why!” (29, \$45,000, Partner)

They are not personable and they are not genuine, you know that they are not using the products themselves.” (30, \$60,000, Partner)

“If they can’t say honestly that they use the product, when why aren’t they using it? If you believe they are using the product as you see a good result on them then yes, I will trust them.” (24, \$40,800, Single)

The quote above by respondent seven, reveals that tangible cues are sometimes used to make decisions about the brand ambassador and the product. The respondent reveals that if she believes that the brand ambassador is using the product, she will then assess the brand ambassadors skin condition to help make her decision. This may imply that one of the tangible cues that women assess is that of the brand ambassador, suggesting that the brand ambassador may need to look a certain way to build trust between the consumer and the brand. As the service of the brand ambassador and the service the product is going to perform is intangible, it is understandable that prospective customers will assess any tangible cues to reach a decision.

According to the interviews it appears that there are several aspects in the online and in-store environment that propagate trust between the brand and the customers, and evidently aspects that are preventing feelings of trust. The notion of trust in regards to the online environment related to the authenticity of the product in question and the believability of the customer reviews. According to the respondents of this study, customer reviews are regarded as a trustworthy source for customers. In relation to the in-store environment, the theme of the brand ambassador and their effect on the trust felt by the consumer was very prevalent. Firstly, several respondents believe that the brand ambassadors are essentially sales people, making up sales wherever possible and pushing, what can be unneeded products onto customers. Secondly, some of the respondents revealed that having the necessary knowledge and skills is vital to perform the service of a brand ambassador, but that brand ambassadors are lacking in this area. Lastly, some of the respondents revealed that there is an expectation that the brand ambassador should be using or at least have tried the products she is selling herself. However, it appears this expectation is not being met. In conclusion, it is evident that customer reviews promote trust in the online environment and ideally the brand ambassador promotes trust in the in-store environment, however because the service of the brand ambassador does not appear to be consistent or even

satisfactory at times, this service is questionable. Therefore, it is apparent that through personal research, consumers draw conclusions about a product individually, without much belief weighted on the brand ambassador. In this instance, it appears that the online environment is a good resource for customers, and provides a more trustworthy service than the service of the brand ambassador. Refer to Table 9 for a summary of these themes.

Table 9: Trust Themes

In-store Environment	Online Environment
Brand Ambassador <ul style="list-style-type: none"> • Perception - “Sales Person” • Lack of skills and training • Not using the brands products • Variability, Inseparability, Perishability, Intangibility 	Authenticity of Products <ul style="list-style-type: none"> • Customer Reviews

4.6 Chapter Summary

The results of this research have provided insight into the marketing relevance of the cosmetic brand ambassador. In terms of product involvement, it appears that the in-store services which are managed and executed by the brand ambassador surpass the services offered by the online environment. The services offered in-store included the “Free Gift Time” promotion, the distribution of samples and use of testers and the lastly the visceral nature of the store itself. The same “Free Gift Time” promotion is not offered via the online services, the distribution of samples is sporadic and the product information, customer reviews and visual demonstration services do not sufficiently cater to initial cosmetic purchases. However, the services were proved to be useful additional resources for information during the information search stage of the consumer decision making process. In regards to the notion of product familiarity, the same outcome was observed as, the in-store environment offers readily available testers and samples which is supervised by the educational and experiential service of the brand ambassador. The online environment lacks in these services, however, it was evident that the online service fulfils an important role, as it is used by many women in the sample for replenishment purchases and information search. Financial and physical risk assessments were observed in both

environments. Significantly, consumers have the perception that the online environment sells unauthentic products, which encourages feelings of performance risk. However, the in-store environment was not without perceptions of risk. The element of physiological risk felt by consumers due to the presence of the cosmetic brand ambassador was significant. As the risk in both environments is quite dissimilar, it is difficult to determine which environment creates more risk for the individual. However, it appears that both environments have the services necessary to lower risk assessments made by potential consumers through the educational, facilitating and supporting services they both can offer. Lastly, it was revealed that more trust was felt for consumer reviews than for the in-store cosmetic brand ambassador. Significantly it was determined that very little trust is felt for the in-store brand ambassador.

Chapter 5: Discussion

5.1 Introduction

Chapter Five begins with a discussion of the results found in connection to research question one relating to product involvement. This is followed by research question two, which related to product familiarity, and this is followed by research questions three and four relating to perceived risk and the concept of trust. The themes that were identified in the results are briefly restated, followed by a discussion of the results. In the discussion, references are made to the literature review examined in Chapter One. In some cases, additional relevant theory is introduced into the discussion. At the end of each section in the discussion, the marketing relevance of the brand ambassador is disclosed in accordance with their role to encourage product involvement, product familiarity, lower perceived risk and trust, which is then contrasted to the services offered online.

5.2 Product Involvement

Identification of what services are being implemented to encourage product involvement in the online and in-store environment, allowed the services in these environments to be contrasted. This was undertaken in an effort to determine if, and to what extent, the online environment was emulating the role of the brand ambassador. This would in turn help to give a limited indication of the current marketing relevance of the cosmetic brand ambassador in the Australian market. To help answer this and to reiterate, the first research question of this study was to determine *what aspects in the online and in-store environment encourage product involvement?*

The results from the sample indicated that there are three aspects in the in-store environment and four alternate aspects in the online environment that encourage product involvement. To reiterate, product involvement is encouraged in the in-store environment, mainly through the use of the **“Free Gift Time”** promotion, the **brand ambassador** and their distribution of samples, and the **visceral nature of the store** itself including the availability of testers. In the online environment, the aspect of **free gifts and samples**, **customer reviews**, **video demonstrations** and **written and verbal product information**, were the four themes raised consistently amongst the respondents, which encouraged product involvement.

It was proposed by Chiou and Droge (2006) that as the luxury cosmetic market has a considerable price difference to the discount cosmetic market and due to the medicinal outcomes that are claimed and implied, consumers exhibit higher levels of involvement during the decision making process. This attribute of the cosmetic market presented by Chiou and Droge (2006) was consistent with the findings in the current study.

Furthermore, the notion that customers require various levels of educational and experiential elements was also evident. Chiou and Droge (2006) stated that due to the high involvement of consumers when purchasing cosmetic products, a considerable amount of personal assistance is required during the decision making process. This notion is consistent with the current study; however a considerable amount of assistance is only necessary for first time purchasing not replenishment purchases due to the fact that the experiential element is not required. In this regard, the online environment poses as a suitable service for some cosmetic buyers. Therefore, as highlighted by Neal et al. (2003), involvement is unique to the individual, which may vary from one consumer to another and, for the same consumer, from one situation to another. In this case, the online environment merely offers another mode of purchase for those who simply prefer to shop online. This option to shop online means that customers have a choice and that can be satisfying to many of them. In the interviews, many women said that they like the convenience online shopping offers. However, there are exceptions indicating the necessity to shop online as seen in the case of respondent 10 (29, \$45,000, partner), who had no choice but to order products online due to the fact she was working in the Solomon Islands for the Australian Army, or respondent 8 (30, \$57,000, partner) who was bedridden due to cancer and couldn't leave the home.

The three types of involvement, situational, response and enduring (Houston & Rothschild, 1977), were evident in the current study. Situational and response involvement was evident particularly with the purchases of foundation, where involvement is high. Purchasing foundation appears to be situation where the respondents were highly active in information search. As a result, they choose to shop in-store where they can test the products adequately (familiarity). Enduring involvement was particularly evident in the case of respondent nine (27, \$55,000, Single) who communicated a high level of interest for products of a particular brand over a long term basis.

Although it was expected that premium cosmetic consumers exhibit higher levels of involvement during the decision making process and that involvement varies from one

situation to another (Neal et al., 2003), it was not expected that almost all of the respondents would specify that their foundation purchases had the highest involvement. As we saw from the respondents comments, foundation is colour matched in-store, which would suggest that this is a role that the brand ambassador would need to readily offer and be trained to perform at a high standard. Furthermore, unless online stores start offering free samples of various foundation shades, companies may mostly expect to get new customers who buy foundation in-store and repeat customers online.

One of the roles of the brand ambassador, as explained by Chiou and Droge (2006) is to “educate” the potential customer. It appears that the education aspect can be emulated through the online environment. However, the second role of the brand ambassador, as explained by Chiou and Droge (2006), is to be “experimental” and be able to apply the product to the face and body. Even if sufficient samples of various products were sent to the potential customers upon request, the personal, face-to-face, one-on-one experience and service offered by the brand ambassador would not be offered. According to this definition, the online environment is not emulating the role of the brand ambassador. According to Solomon (2006) and Grewal et al. (2008), the availability of service personnel may not be essential for the online retailers but personalisation is crucial. According to the current study, most efforts for personalisation of products are taking place in the in-store environment and very little in the online environment as well as a lack of sample availability to online shoppers. Therefore, it appears the brand ambassador service enhances purchase intention through encouragement of product involvement more effectively than online services.

5.3 Product Familiarity

Identification of what services are being implemented to encourage product familiarity in the online and in-store environment, allowed the services in these environments to be contrasted. This was undertaken in an effort to determine if, and to what extent the online environment was emulating the role of the brand ambassador. This would in turn help to give a limited indication of the current marketing relevance of the cosmetic brand ambassador in the Australian market. To help answer this, the second research question of this study was to determine *what aspects in the online and in-store environment encourage product familiarity*.

The results indicated that there are three aspects in the in-store environment and four aspects in the online environment that encourage product familiarity. The availability of **testers, samples** and the educational and experiential service of the **brand ambassador** were the elements encouraging product familiarity in the in-store environment. Themes that arose in the online environment that encourage product familiarity included educational written **product information** offered by the official brand websites and various other websites, **customer testimonial analysis** across various internet websites, the **pictures** of the products themselves and the viewing of **educational videos**, including visual demonstrations. The theme of a **lack of free samples** offered via the online environment was also identified.

It was apparent from some of the respondents that if they have never purchased or tried a product, they are inclined to go in-store to become familiar with the product first. Therefore, it was determined that the in-store environment is a place where they feel they can adequately become familiar with the product. In contrast, to purchase a completely unfamiliar product online appears to be unlikely. This is consistent with the notion presented by Dick et al. (1995) that a lack of familiarity contributes to the brand being eliminated from consideration during the decision making process. This also highlights the importance of product familiarity in the cosmetic industry.

Estée Lauder has very recently implemented a “two free samples of your choice with every order,” perhaps to overcome the lack of familiarity of the products for online consumers. However, this marketing strategy is very limited; they do not do this with all their products. For example, the samples currently on offer are only of serums and night creams. Estée Lauder allows the consumer to choose which samples they would like to try, however, other brands, like Lancôme who offer samples, do not allow the consumer to pick which ones they would like to try. Therefore, the online environment is currently not offering, what seems to be a very important service to consumers, the service of testers and samples. Again this indicates that perhaps fewer products will be purchased online (unless a replenishment) as products online are unfamiliar to the consumer. This also affirms that familiarity exerts important effects on the brand selected by the consumer. Due to the fact that a lack of familiarity contributes to the brand being eliminated from consideration during the decision making process (Baker et al., 1986; Dick et al., 1995), perhaps the online environment should not be the only method for consumers to be introduced to a cosmetic product and brand. It appears that, as the online environment is not encouraging

enough product familiarity products should also be made available elsewhere.

Furthermore, companies should ensure that their brands are offering sufficient means for the consumer to become familiar with their products as product familiarity decreases the need for information searches for alternatives (Alba & Hutchinson, 1987). These aspects all indicate the brand ambassador service, which has been identified as being a service that successfully encourages product familiarity has significant relevance in the marketing mix of the cosmetic industry.

As indicated in the interviews, foundation came up regularly as a product that needed to be matched in store using a tester and applying it to one's skin to determine the perfect match. If cosmetic stores wanted to increase their online customer satisfaction, offering samples, including those of foundations, may be a way to do so, if it was economically viable. Although, once again it is indicated that the online environment does not offer the experiential element the in-store environment offers, it does appear that the online environment can improve their services by offer a wider range of samples to potential consumers. Consumers can then try the sample at home increasing their product familiarity. Therefore, in this instance the role of the cosmetic brand ambassador could be emulated by online service, but it appears that it is currently not. Additionally, the experiential and relational elements, the personal, face-to-face, one-on-one experience and time offered by the brand ambassador are lacking in the online environment. Therefore, according to this discussion presented, the online environment is not emulating the significant role of encouraging product familiarity which is achieved through the service of the brand ambassador.

5.4 Perceived Risk

Identification of the risk assessments performed by consumers in the online and in-store environment, allowed the services in these environments to be contrasted and for the strengths and weakness of both environments to be identified. This would in turn help to give a limited indication of the current marketing relevance of the cosmetic brand ambassador in the Australian market. To help answer this, the third research question of this study asked, *“what is the nature of the risk assessment performed by online cosmetic and in-store cosmetic shoppers?”*

The results of the sample indicated that there were four focal risk assessments made while cosmetic shopping in-store and online, including *financial*, *product* and *service performance*, *psychological* and *health* assessments. In regards to the online environment, risk assessments were made on the postal delivery service of the product and the authenticity of the product in question and lastly the performance of a product was questioned in purchase situations where the product had never before been tried, in other words there was low product familiarity. The risk of credit card fraud did not appear to be an issue for respondents with seven of them saying they do not worry about credit card fraud, many of them affirming they have security measures in place to protect them. Alternatively in to the in-store environment, many women discussed the social risks they feel when conversing with a brand ambassador. Lastly, physical and financial risk assessments were made both in the online and in-store environments.

Firstly it was evident that the perception of risk differed from one respondent to another mainly due to past experiences and lifestyles, which is consistent with the same notion presented by Neal et al. (2003). Therefore the level of information required by the respondents varied from one respondent to another. This was especially seen in the instance of the youngest respondent who conducted very little information search about products compared to the older respondents. Although it was expected that financial, and performance risks would be revealed in the study, it was not expected that health risks associated with cancer and other detrimental diseases would surface. This notion corresponds profoundly, with the notion that risk is the belief that a product has potentially negative consequences (Solomon, 2006). It appeared that less financial and performance risk was felt when purchasing online by women who have previously purchased online. Furthermore, there was no product performance risk when ordering online when the product was familiar to the consumer. This resonates with the notion described by Neal et al. (2003) who stated that risk may vary from one situation to another. Performance risk in regards to the service component of the purchase, that of the delivery service which is also consistent to literature which proposes that, services are often perceived as being higher in risk than goods (Neal et al., 2003). It is supposed that the reason why the concern for credit card safety did not appear to be a significant risk to the consumers is because the study focused on younger age group. If the study included older demographics, the theme of security may have been more prevalent. This is suggested by other research. For example, the Australian Bureau of Statistics stated that the major impediments to the broader use of

the Internet for the online purchase of goods and services are concerns about; the security of transactions and whether they are conducted by authenticated parties; the disclosure of personal information; and the levels of service. These are expected to be at least as good as in the in-store environment and preferably with better prices. The main service issues discouraging Australians from buying online presently seem to be high shipping costs and personal sizing or fit (Consumer and Business Affairs Victoria, 2002).

The concern of authenticity is only attributed to the online environment, and according to some women in this sample, it can be overcome if the products were made more available through the official websites rather than e-tailers. Therefore, it appears consumers attribute less risk to trusted brands because they are more familiar with them, and more risk to websites they are less familiar with. Although there may be women who feel comfortable purchasing from e-tailers, to cater to those who prefer to purchase from the brands directly, brands may wish to consider offering online shopping services through their trusted official websites. Furthermore, it appeared that the online environment was viewed as a higher risk overall, which is also consistent with the same notion by Neal et al. (2003) who stated that like product categories, retail outlets are perceived as having varying degrees of risk, saying that traditional outlets are perceived as low in risk, while more innovative outlets such as direct mail or the Internet are viewed as higher risk. This further supported by the findings of Benedictus and Anders (2006) who claimed that, consumer concerns and perceived risks are much higher in online transactions than in brick-and-mortar purchasing, so much that a very high level of trust is needed to stimulate increases in online spending.

In regards to the research question, the risk assessments made by the sample were identified, and it was revealed that there is more risk associated with shopping online than in-store. It appears that both environments have the services necessary to lower risk assessments made by potential consumers through the educational services they both have the ability to offer. However, currently the online environment lacks in the experiential element in real time, which heightens the performance risk associated with the product. The performance of the delivery and unfamiliarity of new products are barriers to shop online, which are not felt in-store.

5.5 Trust

Identification of what services are being implemented to promote trust in the online and in-store environment, allowed the services in these environments to be analysed and contrasted. This was undertaken in an effort to determine if, and to what extent the online environment was emulating the role of the brand ambassador in the mind of the consumer. This would in turn help to give a limited indication of the current marketing relevance of the cosmetic brand ambassador in the Australian market. To help answer this, the final research question of this study asked, *“what elements in the in-store environment and what elements in the online environment propagate trust between the brand and the consumers?”*

According to the interviews the issue of trust in regards to the online environment related to the **authenticity** of the product in question and the believability of the **customer reviews**. In regards to the in-store environment, the **brand ambassador** and their effect on the trust felt by the consumer was very prevalent in the interviews. It was concluded that through personal research, consumers draw conclusions about a product, without much trust placed on the brand ambassador. According to the women in the sample, the online environment acts a good resource for them, and is trusted more than the brand ambassador. In general, it appears the service of the brand ambassador is inconsistent because the service varies from one individual to another and from one brand to another.

The notion that the service of the cosmetic brand ambassador, like any human service, is variable resounds with theory. According to Berry (1999), the availability of service staff varies considerably across retailers, as does the quality of the customer service provided by the staff. Furthermore the customer service and availability of staff differs from store to store and from person to person. Berry (1999) also states that the reliability of service is a significant feature in judging service quality and that a retailer's proficiency is unmistakably influential in building a customer's trust. It is evident by the comments of the respondents, that there is questionable reliability in both availability of staff and customer service offered by the brand ambassadors. This could be an attribute that is creating a lack of trust with customers. Furthermore according to Levy and Weitz (2007), some high end stores are employing considerable resources to design and implement an organizational culture that advocates the necessity for unfailing high-quality customer interaction. Levy and Weitz (2007) discuss that some premium retailers are promoting the

idea that personnel must be consistent and consistently available to every customer so that the same service is offered from one location to another, (an Estée Lauder counter in Queensland to an Estée Lauder counter in Perth) and from one store to another (Myers to David Jones).

According to theory (Lovelock, Patterson, & Wirtz, 2011) one of the ways to ensure consistency across service personnel is to apply the script theory for service personnel to follow. A service script is a detailed guide for front-line staff personnel to follow while offering the service to a customer. It consists of a prearranged set of behaviours that may contain particular words and phrases for the employee to use during each step of the service procedure. There are assorted forms of scripting, some of which are predominately scripted approach, such as call centres, and some are more flexible, for example retail outlets. Scripts are most commonly used to aid the design and management of the service encounter because a script assures a consistent level of service. The script theory can ensure that productive and effective services are consistently provided (Rao, 2008).

It was evident from the interviews that there appears to be up to six expectations of service from the cosmetic brand ambassador. One being that the brand ambassador needs to be able to educate the customer about the product, for example how to use the products, what ingredients are in the products, how long will the product last and in which order should the products be used. According to Seiders, Voss, Godfrey and Grewal (2007), this is called *decision convenience*, which is the ability to give customers appropriate information so that they can make informed buying decisions. Seiders et al. (2007) pertain that retailers with a high-end business model also often attempt to train their service personnel to provide four more sources of convenience, including *decision convenience*, the ability to give customers appropriate information so that they can make informed buying decisions; *access convenience*, which involves making sure they know where merchandise is and assisting customers in finding it; *transaction convenience*, which facilitates transactions such as checkouts and returns; *benefit convenience*, or helping customers understand the benefits of products and services to create a more enjoyable experience; and *post-benefit convenience*, by which personnel gain the training and ability to remedy post-purchase problems. However, in the cosmetic industry, the brand ambassador is required by many to perform another convenience. According to some respondents, the expectation of successful makeup application is also required. However it was evident that some of the respondents believe the makeup application services currently offered by brand

ambassadors are poor and unreliable, and the qualifications, if any of the brand ambassadors are questionable. In some cases women were happy with the makeup application services that they had received which may indicate that some brand ambassadors are more trained and have higher qualifications in makeup artistry than others. This portrays that there may be an inconsistency between stores and brands creating a perception of unreliability by cosmetic consumers.

Multiple episodes of satisfaction lead to the building of trust, which is followed by loyal behaviour (Chiou & Droge, 2006; Elliot & Percy 2007; Lovelock, Patterson, & Wirtz, 2011). According to the interviews, it appears that only one of the respondents has experienced multiple episodes of satisfaction, and there was not very much evidence of trust between the women and the brand ambassadors. As alluded to in chapter one, there are two main components of trust: credibility and benevolence (Doney & Cannon, 1997; Ganesan, 1994; Moorman et al., 1992; Morgan & Hunt, 1994). Credibility is defined as a buyer's belief that the provider of the product or service has adequate knowledge and capabilities to perform the job effectively and reliably. According to this definition, it is evident as to why the brand ambassadors appear to be failing to build trust. The study revealed that most of the respondents do not believe the brand ambassador has adequate knowledge and capabilities to perform the job effectively and reliably. Therefore the brand ambassador lacks in credibility. Benevolence is defined as the extent of the buyer's belief that the seller's intentions and motives are beneficial to the buyer even when new conditions or circumstances arise for which a promise was not made. In some cases it was evident that some respondents do not believe that the intentions and motives of the brand ambassador are beneficial to them, but rather, the ambassador is simply a sales vehicle that's primary goal is to make sales targets and in many cases does not use the products they are trying to sell themselves. According to theory, it appears that brand ambassadors in many cases are not believed to be credible and benevolent, therefore failing to build trust with the consumer. As highlighted in chapter one "the ultimate goal of marketing is to generate an intense bond between the consumer and the brands, and the main ingredient of this bond is trust" (Hiscock, 2001, p. 32). Therefore, for brand ambassadors to maintain their relevance in the cosmetic market, their ability to build trust through their services needs to be improved.

5.6 Chapter Summary

Chapter Five began with a discussion of the results found in connection to the four research questions of this study. The themes that were identified in the results were briefly restated, followed by a discussion of the results. In regards to **product involvement**, it was found that educational aspects can be emulated through the online environment. However, the personal, face-to-face, one-on-one experience and service offered by the brand ambassador as well as the other in-store promotions that are managed by the cosmetic brand ambassador is not matched by the online servicing efforts. In this regard the online environment is failing to emulate the role of the cosmetic brand ambassador. In regards to **product familiarity** the online environment is not emulating the significant role of encouraging product familiarity which is achieved successfully through the service of the cosmetic brand ambassador. Although it does appear that the online environment can improve their services by offering a wider range of samples to potential consumers in order to improve the experiential element required when making a cosmetic purchase. In regards to the concept of **perceived risk** it was revealed that there are different risks associated with each environment, however there is more risk linked to shopping online than in-store. This is mostly due to a lack of product familiarity online as well as a lack of familiarity associated with many unofficial websites. Finally, it appears that cosmetic brand ambassadors in many cases are not believed to be credible and benevolent as well as reliable and consistent with their quality of service. Therefore they fail to build **trust** with the consumer. As a result, for brand ambassadors to maintain their relevance in the cosmetic market, their ability to build trust through their services needs to be improved.

Chapter 6: Conclusion

6.1 Introduction

The concluding chapter firstly discusses the limitations of this study. Some of these limitations offer insight into the need for further research in some areas. Several practical recommendations are listed and discussed based on the findings of this study and in some cases the recommendations are supported by theory. Lastly the conclusion highlighting the essence of this study is presented.

6.2 Limitations and Further Research

Within this research project there were various limitations which may have impacted the results found. Firstly, this research project was limited to the time frame of one year. The time limit of this project impacted on the scope of this study. This study only studied females, not males and only studied the small age group of 18 – 30 years. Therefore, it is suggested that further studies on the topic take into consideration the male segment and older age groups of the market. Furthermore, different age groups could be compared in relation to the service of the cosmetic brand ambassador, as this study did not make thorough comparisons of the age groups. As this study was exploratory in nature, the aim was to explain consumer behaviour. Therefore, the sample size was small meaning the generalisations from the results cannot be applied to the population. Therefore this study could be replicated with a larger sample so that the generalised could be applied to the population.

Additional themes arose during the research however these concepts could not be investigated further due to time and word limit constraints. The beauty spa market appears to be a significant competitor in the market, as does distribution based cosmetic companies such as Avon, Herbalife and NuSkin. These cosmetic markets are essentially competitors of the luxury cosmetic brands found in department stores. Beauty Salons and various distribution cosmetic companies, which offer different services to those offered by the cosmetic brand ambassadors in department stores, arose in several of the interviews. These services were not examined in this study; therefore these areas could be studied further.

It is suggested that brand ambassador be studied purely in connection to existing theory on services marketing, and perhaps observational fieldwork be employed to further

understand this specific service. The service of the brand ambassador could be studied in an observational manner in order to determine how the services are currently being conducted. This could be compared to marketing theory in order to determine weaknesses in this service and develop recommendations for the opportunities that are observed.

Although the study focuses on relevant marketing concepts, further understanding on the elements of satisfaction and loyalty could be studied and applied to the conceptual framework to offer a more accurate representation of the relationships between these elements and the four concepts of product involvement, product familiarity, perceived risk and trust.

An evident limitation which was only identified in retrospect it that during the interview stage of the study the participants were only told that they would be asked questions about their experience when cosmetic shopping. They were not provided with an outline of the questions that would be asked in the interview. Not receiving the questions in advance meant the respondents did not have time to consider their perspectives and opinions, resulting in a lack of detail. In particular, respondents struggled to recall interactions with brand ambassadors. Although the respondents were probed and given time to think back on their experiences, it may have been effective to give the respondents the questions ahead of time (Hill, Thompson, & Williams, 1997).

6.3 Practical Recommendations

The following recommendations are made in accordance with the findings of this study. However as alluded to earlier, since the sample of this study was very small, further study on this topic is recommended before implementation of any changes are considered:

1. Online services could improve satisfaction by increasing personalisation of samples, as this is offered in the in-store environment. It also encourages product involvement and product familiarity. The online environment in general is lacking in the service of sample distribution. This could be something that can be improved upon.
2. As the online environment does not have the capability to offer testers in real time, the service of offering samples adequately and consistently to customers may be imperative; therefore samples should be made more available.

3. If cosmetic companies, Myer and David Jones wanted to change the behaviour of customers, from purchasing in-store to purchasing online, offering the Free Gift Time promotion online may encourage the adoption of online shopping services. As supported by Lovelock, Patterson and Wirtz (2011), sales promotions can speed the introduction and acceptance of new services.
4. In-store cosmetic counters should offer samples invariably to new customers. To manage the distribution of samples client cards could be used to ensure that the samples are not given out to the same customer.
5. Both services (that of online and in-store) should be made available to customers as it appears the in-store environment is where a company may find new customers and the on-line environment may be where existing customers choose to shop for convenience.
6. If cosmetic brands made their products available on their official brand websites, this may overcome functional and financial risk felt by consumers (authenticity of product, credit card safety).
7. Brand ambassadors need to be trained in order to lower the feelings of psychological risk felt by the customers. Interpersonal skills and approachability need to be improved on.
8. Brand ambassadors need to have a deep understanding about the products and be able to communicate effectively about the product, specifically the ingredients in the cosmetic products to lower physical risks that are felt by the consumer.
9. Companies should encourage customer reviews on their websites and other credible websites to generate trust about their brand and products.
10. Arguable: Brand ambassadors should not be on a commission, and this should be communicated to the consumers so that they know brand ambassadors are not just trying to reach sales targets. (It is unknown if cosmetic brand ambassadors are on commission or not as this was not investigated. Furthermore this pay structure could vary from brand to brand).
11. The cosmetic brand ambassadors should be using or have used a trial period of the samples.
12. Cosmetic brand ambassadors should be trained in makeup artistry. If they are not trained adequately, they should not attempt to apply makeup to customers. It is recommended that there be a minimum standard or qualification across the industry

so that consumers have a better understanding of the minimum qualifications of the cosmetic brand ambassador.

13. Brand ambassadors should adopt the script theory in order to minimise variability of services.
14. There should always be a brand ambassador present at the cosmetic counters during opening hours, so that there is not variability of the service. If the brand ambassador is unable to be present at all times, then a channel of communication should be made (perhaps a “back in 10 minutes” sign) so that the customers are at least communicated with.

6.4 Conclusion

This honours thesis studied the in-store and online marketing of luxury cosmetics in Australia. In particular this qualitative study set out to explore the buyer decision process and the role of cosmetic brand ambassadors. Cosmetic brand ambassadors have traditionally performed in-store services that have influenced product involvement, product familiarity, perceived risk, and trust, which in turn have influenced the buyer decision process. However, consumers are increasingly purchasing cosmetics online; therefore this study explored if and how the traditional marketing functions performed by cosmetic brand ambassadors are being performed in an online shopping environment.

The study revealed that there are successful marketing strategies in place in the in-store environment which successfully encourage product involvement and product familiarity, which are carried out by the service of the cosmetic brand ambassador. Although the online environment offers a thorough and trustworthy educational service, it lacks in the experiential service in real time. This real time interaction [face to face] allows for sufficient product involvement and familiarity to be heightened and cosmetic brand ambassador trust to occur, which is vital in the process of cosmetic purchasing. Whilst the online environment cannot replicate the in-store experience, it was noted that through improved distribution of samples and free gifts, encouragement of product involvement and product familiarity can be improved.

Although many types of risks have been identified by scholars; financial, performance, social and physical risk assessments were most discussed in this study. It was revealed that generally there is more risk associated with shopping online than in-store. Once again this

was mainly due to a lack of familiarity with the product in question and the brand of the website retailing the product. This implies that cosmetic websites need to build trust with consumers in the same way cosmetic brands build trust with consumers. It appears that each environment can lower risk assessments made by potential consumers through the educational, experiential, facilitating and supporting services they both can offer.

Surprisingly, it was revealed that due to the variable service quality there is a general distrust of cosmetic brand ambassadors and inconsistent customer satisfaction. In light of this, cosmetic companies may wish to look at creating value through increasing service qualities, rather than creating value through lowering prices (Porter, 1996). The brand ambassadors are offering services that do create value however it appears further training and resources need to be allocated towards improving the standard and consistency of services offered. This may be a key success factor in order for the cosmetic brand ambassador to maintain their marketing relevance in the face of online competition. This notion is stressed as although this study may have given an indication that the online service is failing to emulate the service of the cosmetic brand ambassador in some cases, the study also revealed that online innovation, online activity and trust for the online environment has only increased over the years. The notion that the online environment has the capacity to improve its services is consistent with its history. In light of this it appears the brand ambassador service cannot afford to underperform in its ability to build trust.

Cosmetic companies may be advised to heed the words of Estée Lauder who once said: “If you don't sell, it's not the product that's wrong, it's you” (Carmichael, 2011).

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Appendix A: Interview Protocol

The age, occupation and income of the respondent will be noted first if information is provided.

Background:

1. What kinds of cosmetic products to you own and currently buy?
2. What brands do you buy?
3. Which stores do you buy your cosmetic products from?

Online Shopping Questions:

1. Have you ever purchased a product online?
2. Have you ever purchased any cosmetic products online?
3. Why do you shop / not shop online for cosmetics products?
4. How often do you shop online for cosmetics?
5. What are the aspects about online shopping that you like?
6. Are there any aspects about online shopping you don't like very much?
7. Take me through how you shop, what do you do first?

In-store Shopping Questions:

1. Do you shop in store for cosmetics?
2. Why do you shop in store for cosmetics?
3. Take me through how you shop, what do you do first?
4. What characteristics about the in-store environment do you like?

Brand Ambassador Specific:

1. What kind of experiences have you had with the in-store brand ambassador?
2. Give an example of an instance or situation where you came in contact with a brand ambassador?
3. Do you feel like brand ambassadors can be trusted?
4. Do you feel that the brand ambassador increases the trust you have about the product you are considering?
5. Do you feel that the brand ambassador minimizes risk you may feel when thinking about the performance of a product?

6. When interacting with a brand ambassador, does she encourage you to try, feel, touch and smell the product?
7. Does she do anything else that encourages you to become familiar with the product, for example give you samples?
8. Do you think they are relevant to you; do you need them in the process of cosmetic purchasing?
9. If stores removed the brand ambassador service, how would you feel?
10. Have you ever had a long relationship with the same brand ambassador?

Online versus In-store:

1. Has there ever been a specific instance where you sought out online shopping over in-store shopping?
2. Has there ever been a specific instance where you sought out in-store shopping over online shopping?
3. Have you ever gone into a store for advice and then purchased from the online store later?
4. Have you ever gone online for advice and then purchased in store?

Technology:

1. If you have sought out advice other than the brand ambassadors, what kind of advice? (Advice from customers in the form of reviews, or advice from the official brand websites themselves?)
2. Do you trust customer reviews more than you trust brand ambassadors?
3. Do you have a smart phone?
4. While in the in-store environment do you ever use your smart phone or any other internet device to look at reviews or product information?
5. If internet tools were available at the beauty counters would you use them while in-store?
6. Would you use them if there was no brand ambassador present?
7. Do you think smart phones and other internet devices, coupled with effective website content (how-to video demonstrations, thorough product information) could replace the brand ambassador?

Appendix B: Participant Information Letter

The Marketing Relevance of Australian Cosmetic Brand Ambassadors

You are being invited to participate in a research project being undertaken as part of the requirements of an honours degree at Edith Cowan University. The aim of the project is to explore the current perceptions and expectations of women (aged 18-30), in relation to the cosmetic brand ambassadors. This qualitative research anticipates generating a better understanding of the value of cosmetic brand ambassadors in both in-store and online retail environments.

If you choose to be involved, you will be invited to participate in an in-depth interview, where you will be asked several questions relating to your cosmetic shopping habits. The interview will take approximately one hour at a location convenient to both parties. Please be informed that the interview will be audio recorded. If there are any questions you don't wish to answer, as you may feel some discomfort or inconvenience, then please let the interviewer know and the question will be skipped.

Your name will not be used in the written report, it will be kept confidential. Your answers to the questions asked will be linked to a code or pseudonym. Please be assured that results will not include any information that may identify you. Your participation is voluntary, and you can choose to withdraw at any given time with no negative consequences. You may also withdraw information or material that has already been collected at any time. **If you would like to be involved in this project, please indicate on the consent form over the page.**

If you have any questions or require any further information about the research project, please contact:

Chief Investigator: Jessica Boswarva
Contact Number: 0449 252 201
Email: j.boswarv@our.ecu.edu.au

Supervisor: Dr Stephen Fanning
Contact Number: 08 6304 5698
Email: s.fanning@ecu.edu.au

This project has been approved by the ECU Human Research Ethics Committee. If you have any concerns or complaints about the research project and wish to talk to an independent person, you may contact:

Research Ethics Officer
Edith Cowan University
270 Joondalup Drive, Joondalup WA 6027
Phone: (08) 6304 2170
Email: research.ethics@ecu.edu.au

Appendix C: Consent Form



CONSENT FORM

The Marketing Relevance of Australian Cosmetic Brand Ambassadors

I have read and understood the information explaining the study.

Any questions I have asked have been answered to my satisfaction.

I agree to participate in a 60 minute in-depth interview and I understand I may withdraw from the research at any stage without giving a reason.

I understand that the interview will be audio recorded. I also understand that the audiotapes will be stored securely and held separately from any identifying details.

I agree that the results of this research may be published, provided that names are not used.

Dated day of 2012

Signature

If you have any questions or require any further information about the project, please contact:

Chief Investigator: Jessica Boswarva
Contact Number: 0449 252 201
Email: j.boswarv@our.ecu.edu.au

Supervisor: Dr. Stephen Fanning
Contact Number: (61 8) 6304 5698
Email: s.fanning@ecu.edu.au
School of Marketing, Leisure and Tourism | Faculty of Business and Law
Edith Cowan University | 270 Joondalup Drive, Joondalup WA 6027